# FORM 1B

## Listing Application

**General Instructions**
*Please complete the following application and submit to the CSE in printed form with the application fee and the documents listed in Appendix A.*

## *Part 1*

### ISSUER INFORMATION

General instruction: In this application, the term "predecessor" means any legal predecessor of the Issuer and any company with which the Issuer has engaged in a transaction that would give effect to a Fundamental Change.

☐ Initial Application ☒ Application Following Fundamental Change

**1.1 Issuer Name:**
*State the full legal name(s) of Issuer.*

**MIDNIGHT STAR VENTURES CORP.**

**1.2 Address:**
*Please give all addresses. Indicate registered office, head office, mailing, etc.*

**HEAD OFFICE: Suite 1085, 555 Burrard Street, Vancouver, BC V7X 1M8**

**REGISTERED OFFICE: Suite 704, 595 Howe Street, Vancouver, BC V6C 2T5**

**1.3 Telephone Number: (604) 662-1186**

**1.4 Fax Number: (604) 685-9182**

**1.5 General e-mail address: midnight.star.ventures@gmail.com**

**1.6 Website address: N/A**

**1.7 Jurisdiction of Incorporation: British Columbia.**

**1.8 Reporting Jurisdictions: British Columbia & Ontario**

*In addition to Ontario please state any other reporting jurisdiction.*

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**1.9 North American Industrial Classification:**
*Please state your industrial classification below.*

**Scientific Research**

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**1.10 Description of Business:**
*Briefly describe the business the Issuer is engaged in.*

Research and development of the Bio Harvest Technology, a technology for growing plant cells in bioreactors to adapt it to growing Cannabis products and further commercialization of same. Currently has an exclusive worldwide license to exploit the Bio Harvest Technology in the field of products with Cannabis as the active ingredient for medical, recreational and nutraceutical uses. The building or licensing of facilities utilizing the technology

**1.11 Class (es) of Shares/Description of Securities to be qualified for listing:**

**COMMON SHARES**

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**1.12 CUSIP Number(s):**
*Please provide CUSIP numbers for all securities to be listed.*

1 COMMON SHARES – 598001

2 ____________

3 ____________

**1.13 Desired Symbol(s)**
Please specify 3 choices in order of preference. A symbol may be up to 4 letters and will be subject to availability. The Exchange has final approval of any symbol request.

1. STV
2. ____________
3. ____________

**1.14 Trading Currency:**

CDN$ ☒ US$ ☐

**1.15 Outstanding Shares (equity securities only):**

Basic: 96,577,013

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Fully Diluted: 127,135,766
(provide details)

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**1.16 Outstanding Warrants, Rights, Options (equity securities only):**
*(provide details of terms such as exercise price, expiry date, etc. as well as number outstanding)*

| Security | Number Outstanding | Details |
|---|---|---|
| Common Shares | 96,695,952 | |
| Warrants | 20,119,665 | Issuer Warrants (Private Placement) each warrant entitles the holder to purchase an additional share a t a price of $0.23 per share for a period of 2 years from issuance |
| Warrants | 783,983 | Issuer Broker/Finder Warrants (Private Placement) exercisable for a period of two years from issuance at a price of $0.23 per share |
| Options | 9,655,105 | Issuer Options (2018 Plan) |

**1.17 Fiscal Year End:**

**April 30**

**1.18 News Wire Service:**
*Please specify which Newswire service (s) currently disseminates Issuer press releases.*
Marketwire

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**1.19 Issuer Contact Information:**
*Please provide full contact details of the person to be contacted regarding regulatory matters, accounting/administration and for shareholder inquiries.*

**Regulatory Contact:**
Name: David K. Ryan

Address: Suite 1085, 555 Burrard Street, Vancouver, BC V7X 1M8

Telephone number: (604) 622-1186

Fax number: (604) 685-9182

E-mail address: david.ryan@hotmail.ca

**Accounting/Administrative Contact:**

Name: Matthew Wright

Address: Suite 701, 137 West 17th Street, North Vancouver, BC V7M 1V5

Telephone number: (604) 988-4838

Fax number: None

E-mail address: matthewgwright@telus.net

**Investor Relations: None**

Name: N/A

Address:

Telephone number:

Fax number:

E-mail address:

**Other Contacts: None.**

Name: N/A

Address:

Telephone number:

Fax number:

E-mail address:

## 1.20 <u>Directors, Officers, Promoter and Related Persons</u>

*Provide the name, residential address, birth date, place of birth and position or status with the Issuer for each Related Person as defined in CSE Policy 1. Provide date and jurisdiction of incorporation or formation if not an individual.*

**(Please provide attachments if additional space is necessary.)**

| Name and Address | Birth date and Place of Birth | Position with Issuer |
|---|---|---|
| David K. Ryan | 22-06-1966, Vancouver, Canada | President, Secretary & Director |
| Liron Carmel | 22-04-1984, Givataim, Israel | Director |
| Vivien Rakib | 28-05-1959, Baghdad, Israel | Director |
| Zaki Rakib | 15-08-1958, Cairo, Egypt | Chairman, CEO & Director |
| Yochi Hagay | 13-12-1957, Tel Aviv, Israel | CTO |
| Matthew Wright | 30-09-1970, Newcastle-Upon-Tyne, UK | CFO |

## 1.21 <u>Predecessor and Related Companies (as defined in CSE Policy 1)</u>

Names: None

## 1.22 Other Listings

Provide the name and the address of any other stock exchanges on which any securities of the issuer are already listed (or to which application for listing has been made)

Names: None

# *Part 2*

## <u>TRADING INFORMATION</u>

### 2.1 Transfer and Registration:

*Please provide contact information for the company's Transfer Agent(s) and Registrar(s) where (i) transfers may be effected, and (ii) registration facilities are maintained.*

**<u>Transfer agent:</u>**

Name: **NATIIONAL ISSUER SERVICES LTD.**

Address: 760 – 777 Hornby Street, Vancouver, BC V6Z 1S4

Telephone number:

Fax number:

E-mail address:

**Registrar:**

Name: **NATIIONAL ISSUER SERVICES LTD.**

Address: 760 – 777 Hornby Street, Vancouver, BC V6Z 1S4

Telephone number:

Fax number:

E-mail address:

**2.2** *Has the Issuer traded on another exchange in Canada? If yes, please provide trading symbol.*

**2.3** *Does the Issuer have any other class of shares?*

## *Part 3*

### HISTORICAL INFORMATION

***3.1*** *Has the Issuer (or any of its predecessors) ever applied to have its shares traded on another market and been denied a listing/quotation or withdrawn the application? If yes, please provide the name of the market or markets, dates and the reason why the application was denied or withdrawn.*

**No.**

***3.2*** *Has the Issuer or any predecessor ever had trading in its securities halted by a marketplace or been suspended from trading or delisted by an exchange? If yes, provide details. Do not include routine halts for dissemination of information, halts due to system problems in the marketplace or volatility controls imposed by a marketplace or sector or market-wide halts not specific to the Issuer (e.g. a halt due to circuit breakers for price drops). Be specific when* *providing reasons (e.g. suspended for failure to meet financial requirements, not "failure to meet exchange requirements"). State whether the action giving rise to the halt or suspension was remedied.*

**No.**

***3.3*** *Has the issuer or any of its predecessors ever been in default of their obligations as a reporting issuer (or equivalent) or its obligations as a listed issuer on another exchange? in any jurisdiction in which it is or has been a reporting issuer (or equivalent)? Include any details of cease trade orders against the issuer or any predecessor.*

**No.**

## *Part 4*

### BANKING INFORMATION

*Please provide banking details.*

Bank Name: Bank of Montreal

Address: First Bank Tower, 595 Burrard Street

Vancouver, BC V7X 1L7

Transit number (five digits): 00040

Account number (Proof of Account Required): 1828-322

Account Manager (Please Print): Christopher Zizek

Telephone Number: (604) 668-1447

Fax Number: (604) 668-1450

**I certify that the above information is true to the best of my knowledge.**

Date:

This 27th day of September, 2018

Director

Signing Officer

Name: ZAKI RAKIB, Director

Name: DAVID K. RYAN, President

[Print or type names beneath signatures]

# Appendix A

## FILING REQUIREMENTS

Please supply the following documentation along with the completed application form.

a) The documentation set out in Part B of the relevant Appendix to Policy 2.

b) Certified copies of all charter documents, including, Articles of Amendment, Articles of Continuance, Articles of Amalgamation, or equivalent documents.

c) A letter from the transfer agent stating that it has been duly appointed by the Issuer and is in a position to make transfers and make prompt delivery of share certificates.

d) An unqualified letter from the Canadian Depository for securities Limited (CDS) confirming the CUSIP number(s) assigned to the shares.

e) One copy of each of the annual reports for the past three years. If the applicant was formed as a result of an amalgamation, one copy of the annual reports for each of the amalgamated companies for the past three years.

f) Any additional financial statements required in the Listing Statement (Form 2A).

g) If applicable, copies of reports required to support the disclosures in the Listing Statement.

h) For non-operating companies issuing equity securities, evidence that the company meets the requirements of section 1.6 of Appendix A – Equity Securities to Policy 2.

i) Such other documentation as may be required by the Exchange to consider the application.

j) One copy of each of the preliminary and final receipts (if applicable) issued by the Ontario securities Commission in respect of the preliminary and final prospectus, as they become available.

k) A void cheque for automatic withdrawal of monthly maintenance fee.

l) A cheque representing the application fee.

# FORM 2A

# LISTING STATEMENT

**in connection with the Acquisition by Midnight Star Ventures Corp., of Dolarin Ltd. a company holding a license to use a proprietary Biofarming technology for Cannabis products.**

**Dated as at September 27, 2018**

## FORM 2A

## LISTING STATEMENT

### 1. Table of Contents



Unless otherwise stated all dollars amounts have been converted on the basis that $1.00 US equals $1.31 Cdn.

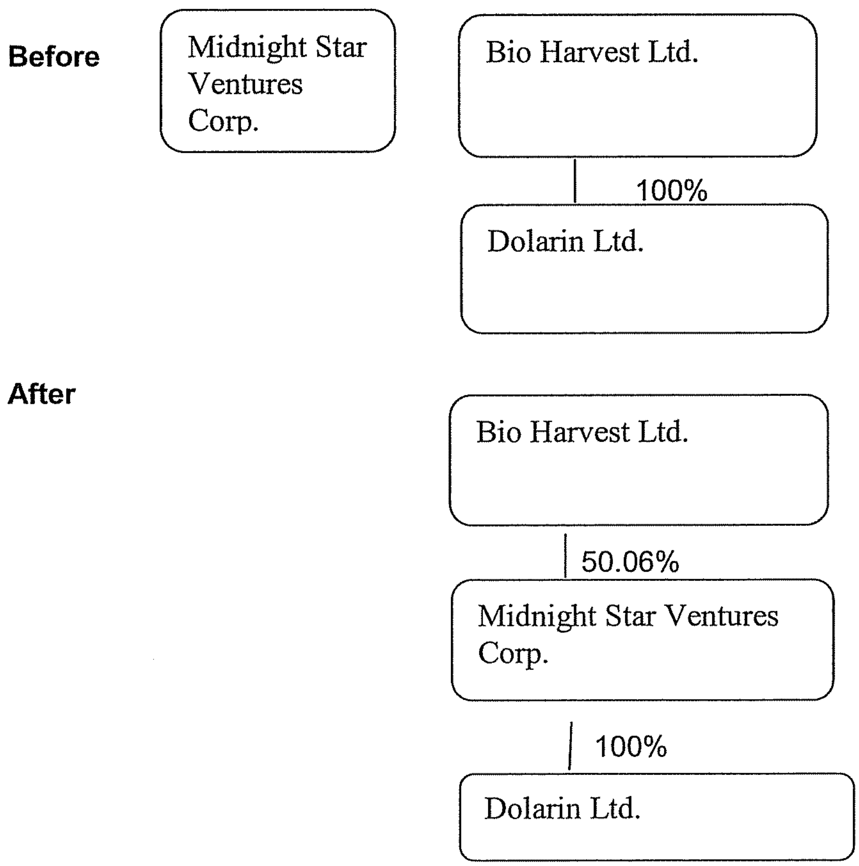
## 2. Corporate Structure

2.1 Midnight Star Ventures Corp (the "Company" or the "Issuer") was incorporated on April 19, 2013 under the Business Corporations Act of British Columbia. Prior to the completion of the fundamental change described below, the Company was engaged in mineral exploration. In particular the Issuer holds an option to acquire the Fish Property consisting of 56 unpatented mineral claims covering 1120 acres in Esmerelda County Nevada (the "Fish Property").

2.2 The Issuer was incorporated under the Business Corporations Act of British Columbia on April 19, 2013. There have been no material amendments to the Articles or other constating or establishing documents of the Issuer.

2.3 The Issuer holds 1,000,000 ordinary shares of Dolarin Ltd. being 100% of the issued and outstanding voting shares of Dolarin Ltd. Dolarin Ltd. was incorporated under the laws of Israel on February 26, 2018.

2.4 On September 27, 2018 the Issuer completed the acquisition of Dolarin Ltd. from Bio Harvest Ltd. an Israeli corporation. As consideration, the Company issued 48,337,496 common shares at a deemed price of $0.20 per share to Bio Harvest Ltd. with the result that the Issuer is now a subsidiary of Bio Harvest Ltd. The following chart sets out the corporate structure before and after the acquisition of Dolarin Ltd.



## 3. General Development of the Business

3.1 The Issuer was incorporated on April 19, 2013. On August 28, 2013 it acquired an option to acquire the Fish Property located in Esmeralda County, Nevada.

The Company completed a Prospectus offering in British Columbia and was listed for trading on the Canadian Stock Exchange on April 14, 2015.

On April 19, 2018 the Issuer entered into an agreement (the "Share Purchase Agreement") with Bio Harvest Ltd. for the acquisition of Dolarin Ltd. Under the terms of the Agreement the Company issued 48,337,496 common shares to Bio Harvest Ltd. in exchange for 100% of the ordinary shares of Dolarin Ltd. Dolarin Ltd. is an Israeli corporation. Dolarin Ltd. holds a license to use, for Cannabis products, a proprietary patented technology owned by Bio Harvest Ltd. for the biofarming of plant cells in liquid media in bioreactors. Concurrent with the execution of the Share Purchase Agreement, Bio Harvest Ltd. entered into a Licensing Agreement (described below) and a Services Agreement (described below) with Dolarin Ltd. The Licensing Agreement and Services Agreement with Dolarin Ltd. were not effective until closing of the Share Purchase Agreement. Prior to the closing of the Share Purchase Agreement, Dolarin Ltd. had no significant assets or liabilities and had not carried on any business other than entering into the Licencing Agreement and Services Agreement.

3.2 Acquisition of Dolarin Ltd.

The acquisition of Dolarin Ltd. completed on September 27, 2018 resulted in the Company through its wholly-owned subsidiary having a license to use the Bio Harvest Ltd. biofarming technology for the production of cannabis products. The acquisition was completed under the terms of a Share Purchase Agreement with Bio Harvest Ltd. dated April 19, 2018. Under the terms of the Share Purchase Agreement the Company was required to issue to Bio Harvest such number of common shares of the Company as would be equal to 50% of the issued and outstanding shares of the Company after closing subject to adjustment for certain outstanding broker options calculated as follows:

| | |
|---|---|
| Shares outstanding April 18, 2018. | 26,643,768 |
| Shares issued in private placement. | 20,119,665 |
| Adjustment for outstanding broker options from Initial IPO. | 123,939 |
| Adjustment for shares issued as finder's fee for acquisition. | 1,450,124 |
| Total shares issued to Bio Harvest at a deemed price of $0.20 per share. | 48,337,496 |

The Company paid a finder's fee of $85,000 US ($111,350 CDN) and 1,450,124 shares (equal to 3% of the number of shares issued to Bio Harvest Ltd.) under the acquisition.

The shares issued to Bio Harvest Ltd. are subject to an escrow agreement described under the heading Escrowed Securities.

Licensing Agreement

Under the terms of the Licensing Agreement, dated April 19, 2018, Bio Harvest granted Dolarin Ltd. an exclusive worldwide license to utilize, including the right to sublicense, the Bio Harvest Biofarming Technology (the "Bio Harvest Technology") for Cannabis products. The consideration for the License was as follows:

1. The issuance by the Dolarin Ltd. of 900,000 ordinary shares of Dolarin Ltd. to Bio Harvest, which shares form part of the 1,000,000 shares of Dolarin Ltd. acquired by the Issuer under the Share Purchase Agreement;

2. The payment by Dolarin Ltd. of $160,000 US in 16 equal monthly installments of $10,000 ($13,100 CDN) commencing on the closing of the Licensing Agreement, which fee will be credited against future royalties if payable;

3. The payment of a milestone payment of $840,000 US ($1,100,400 CDN) on the beginning of construction by Dolarin Ltd. or by its affiliate or any sublicensees of the first manufacturing facility, in six equal installments of $140,000 US ($183,400 CDN), which fee will be credited against future royalties if payable;

4. The payment of royalties of 12% of net sales of licensed products by Dolarin Ltd., its affiliates or any sublicensees, and 12% of any sublicensing proceeds that may be received by Dolarin Ltd., its affiliates or any sublicensees.

Services Agreement

Under the terms of the Services Agreement, dated April 19, 2018, Bio Harvest will perform certain limited research, development and commercialization of the Bio Harvest Technology for the field of cannabis including providing the equipment, materials, facilities and personnel. The initial period of the services shall be 16 months from the date of closing of the Share Purchase Agreement, under a budget calling for total expenditures by Dolarin Ltd. of $1,538,476 US ($2,015,403.56 CDN). Further expenditures may be required if the objectives of the program are not met within the 16 month period. The objective of the program is to establish cannabis plant derived cells clones producing the relevant secondary metabolites (THC, CBC and terpenes), establishment of a stably small-scale growing plant cell suspension culture producing the secondary metabolites in adequate and stable amounts, and optimally establishing plant cells grown in suspension with THC or CBD or terpenes with the desired levels.

Pre-emptive Right

Under the terms of the Share Purchase Agreement, Bio Harvest Ltd. has the right to participate, (the "Pre-Emptive Right") on a pro rata basis, in any future issue of shares or other equity securities or securities convertible into equity securities. The Pre-Emptive Right does not apply to the issuance of shares on exercise of the warrants included in the private placement, on the exercise of outstanding brokers and finders warrants or on the issuance of shares on the issuance of shares on exercise of options under the Issuer's 2018 Stock Option Plan (as defined below).. The Pre-Emptive Right also does not apply to future rights offerings. The right must be exercised within 20 business days of notice by the Company to Bio Harvest Ltd. that it intends to issue the equity securities.

Option Plan and Grants

Under the terms of the Share Purchase Agreement the Issuer adopted a Stock Option Plan (the "2018 Option Plan") on September 27, 2018 and granted options to persons who will be providing services to the Issuer as follows:

| **Name** | **Number of Shares** | **Position** |
|---|---|---|
| Zaki Rakib | 4,344,800 | Director/CEO |
| Yochi Hagay | 4,344,797 | Chief Technology Officer |
| Malkit Azachi | 482,755 | Employee |
| Michal Abargil | 135,171 | Employee or Related Entity |
| Yoav Rot | 144,826 | Employee or Related Entity |
| Sharon Vigodman | 144,826 | Employee or Related Entity |
| Orli Lifshitz | 19,310 | Employee or Related Entity |
| Raya Schleizer | 19,310 | Employee or Related Entity |
| Batya Marco | 19,310 | Employee or Related Entity |
| | | |
| TOTAL | 9,655,105 | |

Under the terms of the 2018 Stock Option Plan options totalling 15% of the outstanding shares of the Company may be granted to directors, officers, employees, and consultants who provide services to the Company, however options to purchase no more than 10% of the number of shares outstanding can be issued prior to approval of the 2018 Stock Option Plan by the shareholders of the Issuer. The options granted are exercisable over a two year period from grant vesting as to 12.5% in each quarter of the period.

Concurrent Private Placement

As a condition of closing the Share Purchase Agreement the Issuer was required to have available net cash of $2,000,000 US ($2,620,000 CDN). In order to meet that requirement and to meet its ongoing financial commitments and working capital requirements the Issuer announced on April 20, 2018 a private placement of up to 22,000,000 units at $0.15 per unit with each unit consisting of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at $0.23 per share for a period of two years from closing. The Issuer closed the private placement on September 27, 2018 consisting of 20,119,665 units for a gross proceeds of $3,017,949.75 (net proceeds $2,901,477.26).

In connection with the private placement, the Company paid commissions or finder's fees totalling $ 116,472.49 and issued a total of 783,983 warrants to investment dealers and finders. The warrants are exercisable at $0.23 per share for a period of two years from closing of the private placement.

Valuation Report

The Company obtained a valuation report from Evans and Evans dated June 13, 2018 in connection with the acquisition of Dolarin Ltd. The valuation report established that the license granted under the License Agreement has a value between $5,700,000 US ($7,467,000 CDN) and $6,200,000 US ($8,122,000 CDN).

Related Party Transaction

The Transaction can be considered a related party transaction as Bio Harvest Ltd. has become the controlling shareholder of the Company as a result of the holding 48,337,496 shares representing 50.06% of the issued and outstanding shares of the Issuer.

Appointment of Directors

On closing of the Share Purchase Agreement on September 27, 2018, Zaki Rakib, Chairman and co-founder of Bio Harvest Ltd. was appointed as director and Chief Executive Officer of the Issuer. Vivien Rakib, a principal shareholder of Bio Harvest, was appointed a director of the Issuer. Mr. Shane Epp and Mr. Bernie Hoing resigned as directors to make room for these appointments. In addition, the board increased its number to four and appointed Mr. Liron Carmel as a director. In addition, Yochi Hagay was appointed as Chief Technology Officer.

## 4 Narrative Description of the Business

### 4.1 General

The Issuer's business is the research and development of the Bio Harvest Technology to adapt it to growing Cannabis products and further commercialization of same. Following completion of the Company's Development Plan described below, the Company will move to the next steps of its business being building or licensing facilities utilizing the technology.

Under the terms of the License Agreement described in paragraph 3.2, the Issuer acquired the exclusive worldwide license to exploit the Bio Harvest Technology in the field of products with Cannabis as the active ingredient for medical, recreational and nutraceutical uses.

The Bio Harvest Technology is covered by the follow patents:

| Country | Status | Application No. | Filing Date | Registration No. | Registration Date | Title |
|---|---|---|---|---|---|---|
| Europe **(Germany)** | Registered | 6711231.8 | 23-Feb-06 | 602006053123-0 | 26-July-17 | FRUIT CELL CULTURE EXTRACT FOR TREATING INFLAMMATION |
| Europe **(France)** | Registered | 6711231.8 | 23-Feb-06 | 1871402 | 26-July-17 | FRUIT CELL CULTURE EXTRACT FOR TREATING INFLAMMATION |
| Europe **(Great Britain)** | Registered | 6711231.8 | 23-Feb-06 | 1871402 | 26-July-17 | FRUIT CELL CULTURE EXTRACT FOR TREATING INFLAMMATION |
| Europe **(Italy)** | Registered | 6711231.8 | 23-Feb-06 | 1871402 | 26-July-17 | FRUIT CELL CULTURE EXTRACT FOR TREATING INFLAMMATION |
| Israel | Registered | 185476 | 23-Feb-06 | 185476 | 01-July-17 | COMPOSITION FOR MUCOSALLY DELIVERING FRUIT CELL CULTURES |

| Country | Status | Application No. | Filing Date | Registration No. | Registration Date | Title |
|---|---|---|---|---|---|---|
| | | | | | | AND/OR PREPARATIONS DERIVED THEREFROM AND METHODS OF USING SAME |
| Japan | Registered | 2007-556710 | 23-Feb-06 | 5432455 | 13-Dec-13 | FRUIT CELL CULTURE EXTRACT FOR TREATING INFLAMMATION |
| USA | Registered | 11/884,774 | 20-Sep-07 | 8216801 | 10-July-12 | METHODS FOR TREADING INFLAMMATORY DISORDERS |
| USA | Registered | 13/400,173 | 20-Feb-12 | 8628965 | 14-Jan-14 | COMPOSITION OF CULTURED GRAPE CELLS |
| USA | Registered | 14/097,395 | 05-Dec-13 | 9061053 | 23-Jun-15 | COMPOSITION OF CULTURED GRAPE CELLS |
| USA | Registered | 14,655,052 | 24-Jun-15 | 9,867,861 | 16-Jan-2018 | PROCESS FOR THE LARGE SCAL PRODUCTION OF FRUIT CELLS ANC TREATMENT OF DISEASES WITH SUCH CELLS |

The Bio Harvest Technology is a platform technology for growth of plant cells in Bio reactors ("Bio Farming"). Bio Farming is a technology that mirrors nature producing plant products without any solvent extraction, genetic modifications or synthetic molecular processing. Its products (biofood) contain a high concentration of plant phyto chemicals occurring in their natural state ensuring optimal bio availability and efficacy. Bio Harvest expended approximately $15,000,000 US to develop the Bio Harvest Technology over a period of 7 years and presently operates a commercial Bio Farming operation utilizing the technology to produce a product called VINIA - a red grape powder that has the complete complex of red grape polyphenols, including the best known resveratrol. The nutritional composition of VINIA is essentially equivalent to red grapes grown using conventional agriculture but with lower sugars and 100 times more resveratrol. The Issuer's business plan is to utilize the Bio Harvest Technology for the production of cannabis products. Use of bioreactor technology to grow cannabis products has a number of potential advantages over conventional cannabis growing including:

1. Potentially a significantly smaller land footprint to produce the same volume of end products.

2. The ability to control critical variables in bioreactors such as light, oxygen, water, chemical balance and nutrition with lower use of water and energy.

3. Growing plant cells in bioreactors eliminates erratic climate and ecological events such as drought and parasites that might adulterate the product.

4. The ability to produce just the desired cells of the plant, without the need to dispose of the unused parts of the plant, reducing waste.

5. The ability to control and vary the amount of polyphenol levels in the resulting product including THC and CBD and Terpenes.

6. Shorter growing cycle permitting more crops per year.

7. Green Manufacturing method plant cells stay intact in their natural form. Non GMO methods and no toxic chemicals are used.

Development Plan

The Issuer's development plan is to complete research and development necessary to adapt the Bio Harvest Technology to the growing of cannabis plant cells (the "Development Plan"). The Development Plan will be carried out at a facility in Rehovot, Israel. The Issuer has engaged Bio Harvest Ltd. under the Services Agreement to complete an initial 16 month Development Plan with the following objectives (milestones):

1. Establish cannabis plant derived cells' clones grown on solid median stably producing the relevant metabolites (13 months).

2. Optionally, establish stably small-scale plant cells grown in suspension with desired levels of THC, and/or CBD and/or Terpenes (16 months).

The following illustrates the Development Plan including costs over the 16 months:

| ctivity | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | M13 | M14 | M15 | M16 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| stablishing of specific ertified lab for Cannabis R&D | | | | | | | | | | | | | | | | | |
| creening cannabis strains | | | | | | | | | | | | | | | | | |
| stablishment of callus [illegible] | | | | | | | | | | | | | | | | | |
| evelopment/implementation f analytical methods | | | | | | | | | | | | | | | | | |
| valuation of callus stability | | | | | | | | | | | | | | | | | |
| stablishment of cannabis ells grown in suspension | | | | | | | | | | | | | | | | | |
| xpression of bioactive ompounds in solid callus | | | | | | | | | | | | | | | | | |
| xpression of bioactive ompounds in suspension ulture | | | | | | | | | | | | | | | | | |
| atents registration | | | | | | | | | | | | | | | | | |
| [illegible] of bioactive ompounds | | | | | | | | | | | | | | | | | |
| OTAL COSTS ($) | 77,726 | 192,059 | 192,059 | 142,059 | 77,726 | 82,726 | 74,726 | 74,726 | 74,726 | 84,726 | 74,726 | 74,726 | 74,726 | 74,726 | 74,726 | 89,726 | $1,538,476 |

Upon successful completion of the Development Plan the Issuer will commence establishing production facilities to supply local legalized cannabis markets. Initially the Company will focus on countries and U.S. States with sufficiently high populations to justify the investment. Each full-sized production facility has an estimated production size of 2,000 kg per year and will require an expenditure of approximately $ 2.5MUS.

The Issuer will commence building production facilities and/or sublicense the technology to customers wishing to build production facilities. The Issuer has the right to sublicense under the License Agreement. Timing of this phase of the Issuer's business will depend on availability of funds or funded sublicensees.

(i) As at August 31, 2018 the Issuer had a working capital deficiency of $14,121.

(ii) From the sale of 20,119,665 units at a price of $0.15 per unit in the private placement closed on September 27, 2018, the Company obtained gross proceeds $3,017,949.75 and net proceeds of $2,901,477.26,

The following table sets out the use of the proceeds for the above funds:

| | |
|---|---|
| To pay license fees to Bio Harvest under the License Agreement ($160,000 US) | $209,600 CDN |
| To pay cost of Development Plan under The Services Agreement with Bio Harvest ($1,538,476 US) | $2,015,403 CDN |
| To pay estimated general and administrative costs of the Company for the next 12 months. | $300,000 |
| Reserve for Working Capital. | $362,353.26 |
| Total | $2,887,356.26 |

As the Issuer does not currently have products for sale, its methods of distribution and principal markets have not yet been determined. Once the Issuer has completed development it will seek to establish production facilities in countries or U.S. States with sufficient population to support large scale production. The product the Issuer expects to produce will be a dry powder containing the desired combinations of metabolites, THC, CBD's and Terpenes.

There has not been a material restructuring in the Issuer's three most recently completed financial years. The acquisition of Dolarin Ltd. set out in section 3.2 would be considered a material restructuring.

The Issuer has not established social or environmental policies.

The Issuer does not currently have any revenue and has not had any revenue in the preceding two fiscal years. The Company has retained Bio Harvest to complete its Development Plan and accordingly the Company does not have any employees. Bio Harvest and its employees have the specialized skills and knowledge to conduct the development under the Development Plan. In addition, the Company's new directors Zaki Rakib and Vivien Rakib and the Company's Chief Technology Officer, Yochi Hagay have considerable academic qualifications and experience to allow them to lead the Issuer through the development stage (see section 13 Directors and Officers).

The materials and component parts or finished products required to complete the Issuers Development Plan are readily available from third party suppliers.

The business of the Issuer is not expected to be cyclical or seasonal. No aspect of the Issuer's businesses is expected to be effected in the 12 months following the date of this Listing Statement by re-negotiation or termination of contracts or subcontracts.

The Issuer does not expect environmental protection requirements to have a significant effect on its capital earnings or competitive position in the current financial year or future years.

The Issuer has no employees and does not anticipate having to retain employees within the next 12 months as its development program is being conducted by Bio Harvest and its employees. Corporate Officers who perform management or professional services for the Issuer are engaged as independent contractors.

Because the Issuer's development program will be conducted in Israel, there may be some additional risks above those in domestic operations. Israel is a modern country with similar infrastructure and legal systems to North America and western Europe so the Issuer expects the risks will be minimalized in addition the Issuers director Zaki Rakib, Vivian Rakib and Liron Carmel as well as the Company's CTO Yochi Hagay have extensive experience living and working in Israel.

Other than the Licensing Agreement and the Services Agreement, the Issuer does not have any contracts upon which its business is substantially dependent.

The Issuer has no lending operations. There has not been any bankruptcy or receivership or similar proceeding against the Issuer.

4.2 The Issuer does not have any Asset-backed Securities Outstanding.

4.3 As a result of the acquisition of Dolarin Ltd. the Issuer's Mineral Property is no longer considered material.

4.4 The Issuer has no oil and gas operations.

## 5. Selected Consolidated Financial Information

5.1 <u>Annual Information – Midnight Star Business</u>

The following table summarizes selected annual financial data for the Company prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**") for the three fiscal years ended April 30, 2018, 2017 and 2016. The information presented below is derived from the Company's financial statements which were examined by its independent auditor. The information set forth below should be read in conjunction with the Company's audited annual financial statements and related notes thereto, which are available on SEDAR at www.sedar.com.

| | Year ended 04/30/2016 (audited) | Year ended 04/30/2017 (audited) | Year ended 04/30/2018 (audited) |
|---|---|---|---|
| Gross revenues (loss) | - | - | - |
| Total expenses | 210,435 | 136,189 | 162,710 |
| Other Items | - | - | - |
| Deferred income tax recovery | - | - | - |
| Net loss | (210,435) | (136,189) | (162,710) |
| Basic and diluted loss, per share | (0.01) | (0.01) | (0.02) |
| Total assets | 498,514 | 114,605 | 115,066 |
| Long-term debt | - | - | - |
| Dividends declared | - | - | - |

5.2 Quarterly Information – Midnight Star Business

The following table summarizes selected quarterly financial data for the Company prepared in accordance with IFRS as issued by the IASB for each of the eight most recently completed quarters.

| | Apr 30, 2018 | Jan 31, 2018 | Oct 31, 2017 | July 31, 2017 | Apr 30, 2017 | Jan 31, 2017 | Oct 31, 2016 | Jul 31, 2016 |
|---|---|---|---|---|---|---|---|---|
| Total gross revenues (profit) | - | - | - | - | - | - | - | - |
| Net loss - total | (85,929) | (40,118) | (46,779) | (37,609) | (45,469) | (24,004) | (36,427) | (30,289) |
| Basic and diluted income (loss) per share | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |

The Company does not have a dividend policy. There are no restrictions that could prevent the Company from paying dividends.

## 6. Management's Discussion and Analysis

Annual MD&A for the Issuer for the fiscal year ended April 30, 2018 – Attached as Appendix A.

Annual MD&A for the Issuer for the fiscal year ended April 30, 2017 – Attached as Appendix B.

Annual MD&A for the Issuer for the fiscal year ended April 30, 2016 – Attached as Appendix C.

## 7. Market for Securities

7.1 The Issuer's common shares listed and posted for trading on the Canadian Securities Exchange (CSE) under the symbol (STV).

## 8. Consolidated Capitalization

| Security | Authorized | Outstanding as at the date hereof |
|---|---|---|
| Issuer Common Shares, no par value | unlimited | 96,577,013 |
| Issuer Preferred Shares, no par value | unlimited | 0 |
| Issuer Options (2018 Plan) | | 9,655,105 |
| Issuer Warrants (Private Placement) | | 20,119,665 |
| Issuer Broker/Finder Warrants (Private Placement) | | 783,983 |
| Brokers Options (IPO) | | 0 |

8.1 Since the Issuer's recently completed year end (April 30, 2018) the Issuer has issued the following securities:

(a) 20,119,665 units at $0.15 per unit where each unit consists of one common share and one share purchase warrant where each warrant entitles the holder to purchase an additional share at a price of $0.23 per share for a period of 2 years from issuance (the "Private Placement").

(b) 48,337,496 common shares at a deemed price of $0.20 per share for acquisition of Dolarin Ltd.

(c) 1,450,124 common shares at a deemed price of $0.20 per share as a finder's fee from the acquisition.

(d) 783,983 warrants exercisable for a period of two years from issuance at a price of $0.23 per share, issued to brokers and finders in connection with the Private Placement.

(e) 123,939 from exercise of broker options issued in connection with the Issuers IPO

The Company currently has 96,577,013 common shares issued and outstanding.

## 9. Options to Purchase Securities

9.1 The Company has options to purchase shares of the Company as follows:

| Category | Number of Issuer Shares reserved under Option | Exercise Price per Issuer Share | Expiry Date |
|---|---|---|---|
| All executive officers and past executive officers of the Issuer and all directors and past directors of the Issuer who are not also executive officers of the Issuer | 8,689,597 | $0.20 | September 27, 2020 |
| All other employees of the Issuer (Employees of Related Entity) | 965,508 | N/A | September 27, 2020 |
| All consultants of the Issuer | Nil | n/a | n/a |
| All previous employees of the Issuer | Nil | n/a | n/a |
| Any other person | Nil | n/a | n/a |

## 9.2 2018 Stock Option Plan

A stock option plan (the "**2018 Option Plan**") was adopted and approved by the directors of the Issuer on July 25, 2018. As at the date of this Listing Statement, the Issuer has 9,655,105 incentive stock options issued and outstanding under the 2018 Option Plan which options were granted on September 27, 2018 on closing of the acquisition of Dolarin Ltd.

The following is a summary of the material terms of the 2018 Option Plan. Capitalized terms in this section not otherwise defined shall have the meaning provided in the full version of the 2018 Option Plan.

- The 2018 Option Plan reserves, for issuance options to purchase, a maximum number of common shares of the Issuer equal to up to a maximum of 15% of Issuer Shares outstanding at the time of the grant. Options granted prior to shareholder approval of the 2018 Option Plan, are limited to 10% of the number of Issuer shares outstanding

- An optionee must either be a director, employee or consultant of the Issuer or a related entity at the time the 2018 Plan Option is granted in order to be eligible for the grant of an Option to the optionee.

- The aggregate number of Options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued Issuer Shares calculated on the date of grant to the Person.

- The aggregate number of 2018 Plan Options granted to all Persons retained to provide investor relations activities must not exceed 1% of the issued Issuer Shares in any 12 month period, calculated at the date an Issuer Plan Option is granted to any such Person.

- The minimum exercise price per Issuer Share of the 2018 Plan Option must not be less than the market price of the Issuer Shares. Options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a "blackout period" (see below).

- 2018 Plan Options (other than Issuer Plan Options held by a person involved in investor relations activities) will cease to be exercisable 90 days after the optionee ceases to be a director (which term includes a senior officer), employee, consultant, or management company employee otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board.

- All 2018 Plan Options are non-assignable and non-transferable otherwise than by will or pursuant to the laws of succession.

- Disinterested shareholder approval will be obtained for any reduction in the exercise price of an Issuer Plan Option if the optionee is an insider of the Issuer at the time of the proposed amendment.

- The Option Plan contains provisions for adjustment in the number of Issuer Shares or other property issuable on exercise of an Issuer Plan Option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the Issuer Shares.

- In connection with the exercise of an Issuer Plan Option, as a condition to such exercise the Issuer shall require the optionee to pay to the Issuer an amount as necessary so as to ensure that the Issuer is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Issuer Plan Option.

- An Issuer Plan Option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which the Issuer prohibits optionees from exercising their Issuer Plan Options, subject to the following requirements: (a) the blackout period must (i) be formally imposed by the Issuer pursuant to its internal trading policies; and (ii) must expire upon the general disclosure of undisclosed material information; and (b) the automatic extension of an optionee's Issuer Plan Option will not be permitted where the optionee or the Issuer is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Issuer's securities.

- The Plan also contains an appendix which incorporates a certain Israeli tax requirements for optionees who are Israeli.

## 10. Description of the Securities

### 10.1 Description of the securities distributed

### Authorized Capital

The authorized capital of the Company consists of an unlimited amount of authorized Common Shares, of which 96,577,013 Common Shares were issued and outstanding, and an unlimited number of preferred shares, of which none are issued and outstanding.

### Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board of Directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

**Preferred Shares**

The holders of the preferred shares are not entitled to receive notice of and not entitled to vote at all meetings of the shareholders of the Company. The preferred shares may include one or more series of shares. The registered holders of the preferred shares are entitled to receive dividends if and when declared by the Board of Directors out the funds or assets of the Company properly applicable to the payment of dividends. The Board of Directors of the Company may at any time declare and authorize the payment of such dividends exclusively to the registered holders of the preferred shares without declaring any corresponding dividends to the registered holders of the Common Shares. In the event of the liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company among its members for the purpose of winding up the affairs of the Company, whether voluntary or involuntary, the registered holders of the preferred shares shall be entitled to receive the amount paid up with respect to each preferred share together with an amount equal to all declared and unpaid dividends on such shares in priority of the Common Shares. After payment to the registered holders of the preferred shares of the amount payable to them as provided for above, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company. The preferred shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

10.2 The Issuer has no debt securities outstanding.

10.4 The Issuer has no securities other than equity securities outstanding.

10.5 Modification of terms:

(a) there are no provisions about modification, amendment or variation of any rights attached to the securities being listed; and

(b) the rights of holders of securities may not be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the British Columbia Business Corporations Act.

10.6 Other attributes:

(a) the rights attaching to the securities being listed are not materially limited or qualified by the rights of any other class of securities; and

(b) securities of the class being listed may not be partially redeemed or repurchased.

10.7 Prior Sales - State the prices at which securities of the same class as the securities to be listed have been sold within the 12 months before the date of the Listing Statement, or are to be sold, by the Issuer or any Related Person and the number of securities of the class sold or to be sold at each price.

| Date of Issuance | Description | Number of Issuer Shares Sold | Price Per Security (CAD$) | Details of Consideration |
|---|---|---|---|---|
| Nov 9/17 | Private Placement (1) | 11,999,992 | $0.0675 | Cash |
| September 27, 2018 | Acquisition of Dolarin Ltd. (2) | 48,337,496 | $0.20 | 100% of shares of Dolarin Ltd. |
| September 27, 2018 | Private Placement (4) | 20,119,665 | $0.15 | Private Placement Units |
| September 27, 2018 | Finder's Fee (3) | 1,450,124 | $0.20 | Finder's Fee from Acquisition |

1. Private Placement November 9, 2017 of 11,999,992 common shares at $0.0675 per share.

2. The issuance of 48,337,496 common shares on September 27, 2018, for the acquisition of Dolarin Ltd.

3. The issuance of 1,450,124 common shares on September 27, 2018, as a finder's fee for the acquisition of Dolarin Ltd.

4. Private Placement September 27, 2018 of 20,119,665 units at $0.15 per unit with each unit consisting of one common share and one non-transferable share purchase warrant exercisable to purchase an additional common share at $0.23 per share for a period of two years form issuance.

10.8 Stock Exchange Price:

The following table sets out the trading history of the Issuer's shares on the Canadian Securities Exchange from May 2016 to August 2018:

| Period | High ($) | Low ($) | Trading Volume |
|---|---|---|---|
| August 2018 | 0.20 | 0.20 | 0 |
| July 2018 | 0.20 | 0.20 | 0 |
| June 2018 | 0.20 | 0.20 | 0 |
| May 2018 | 0.20 | 0.20 | 0 |
| April 2018 | 0.20 | 0.18 | 63,000 |
| March 2018 | 0.20 | 0.17 | 60,000 |
| February 2018 | 0.2 | 0.17 | 60000 |
| November 2017 – January 2018 | 0.25 | 0.1 | 741840 |
| August 2017 – October 2017 | 0.18 | 0.08 | 610000 |
| May 2017 – July 2017 | 0.175 | 0.14 | 43500 |
| February 2017 – April 2017 | 0.16 | 0.14 | 45000 |

| | | | |
|---|---|---|---|
| November 2016 – January 2017 | 0.19 | 0.12 | 124500 |
| August 2016 – October 2016 | 0.13 | 0.055 | 564000 |
| May 2016 – July 2016 | 0.06 | 0.055 | 6000 |

## 11. Escrowed Securities

11.1 State as of a specified date within 30 days before the date of the Listing Statement, in substantially the following tabular form, the number of securities of each class of securities of the Issuer held, to the knowledge of the Issuer, in escrow (which, for the purposes of this Form includes any securities subject to a pooling agreement) and the percentage that number represents of the outstanding securities of that class. In a note to the table, disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow.

**ESCROWED SECURITIES**

| Designation of class held in escrow | Holder | Number of securities held in escrow | Percentage of class |
|---|---|---|---|
| Common Shares | Bio Harvest Ltd. | 48,337,496 | 50.06% |

As the Issuer is an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by Bio Harvest Ltd. who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the listing date (as defined by NP 46-201), with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

Under the terms of the Escrow Agreement, Escrowed Securities cannot be transferred by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrowed Securities may (a) pledge, mortgage or charge the Escrowed Securities to a financial institution as collateral for a loan provided that no Escrow Securities will be delivered by the escrow agent to the financial institution; (b) exercise any voting rights attached to the Escrow Securities; (c) receive dividends or other distributions on the Escrow Securities; and (d) exercise any rights to exchange or convert the Escrow Securities in accordance with the Escrow Agreement.

The securities of the Company held in escrow may be transferred within escrow to: (a) subject to approval of the Company's board of directors, an individual who is an existing or newly appointed director or senior officer of the Company or of a material operating subsidiary of the Company; (b) subject to the approval of the Company's board of directors, a person that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities; (c) subject to the approval of the Company's board of directors, a person that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries; (d) upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities; (e) upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative; (f) a financial institution that the holder pledged, mortgaged or charges to a financial institution as collateral for a loan on realization of such loan; and (g) a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF") or similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of another plan or fund are limited to the holders spouse, children or parents, or if the holder is the trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund or his or her spouse, children or parents.

In addition, tenders of Escrowed Securities pursuant to a business combination, which includes a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or other reorganization similar to an amalgamation or merger, are permitted. Escrowed Securities subject to a business combination will continue to be escrowed if the successor entity is not an "exempt issuer", the holder is a principal of the successor entity; and the holder holds more than 1% of the voting rights of the successor entities' outstanding securities.

## 12. Principal Shareholders

| Name | Type of Ownership (of record and beneficially) | Number of Issuer Shares | Percentage of Outstanding Issuer Shares of the Issuer (Undiluted)[1] | Percentage of Outstanding Issuer Shares of the Issuer (Fully Diluted) |
|---|---|---|---|---|
| Bio Harvest Ltd. | Of record and beneficially | 48,337,496 | 50.06% | 37.98% |

Notes:

(1). Bio Harvest is an Israeli corporation. Vivien Rakib is a director of the Issuer and owns 30% of the shares of Bio Harvest Ltd. Yochi Hagay, the Issuer's Chief Technology Officer owns 6% of the shares of Bio Harvest.

## 13 Directors and Officers

| Name, Municipality of Residence and Age | Principal Occupations during past five years | Position with the Company | Director or Officer Since | Securities Held** | Percentage of Securities Held |
|---|---|---|---|---|---|
| Zaki Rakib (60) San Jose, CA | Chairman of Bio Harvest | Chairman, CEO & Director | September 27, 2018 | 0** | 0 |
| David Ryan, (52) Langley, B.C. | Self-employed consultant. Director of GlobeX Data Ltd. since March 2017; President, Secretary and Director of Midnight Star Ventures Inc. since April 2013. A former Director, President, Secretary and Vice President Finance of Yaterra Ventures Corp. Director and CEO of Scotch Creek Ventures Inc. since January 2017; Director and VP Corporate Communications of Manado Gold Corp. since August 2010 and Chief Financial Officer since 2016. | President, Secretary and Director | April 19, 2013 | 700,001 | 0.73% |
| Liron Carmel, (34) Ramat Gan, Israel | Chairman and CEO of Emerald Medical Applications Corp from December 2014 to August 2015. Currently Chairman and CEO of Smart Energy Solutions Inc. since November 2011. | Director | September 27, 2018 | 1,050,000 | 1.09% |
| Vivien Rakib, (59) Tel-Aviv, Israel | Technology Start-Up Investor | Director | September 27, 2018 | 0* | 0 |
| Matthew Wright (53) BC, Canada, | Chartered Accountant sinc 1995 (British Columbia) and 1990 (England); Principal of M.G. Wright Inc. (February 2010 to Present); Self Employed Accountant (November 2005 to January 2010); and an officer of a number of public resource companies. | CFO | December 1, 2014 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| Yochi Hagay * | Co-Found and Chief Executive Officer and Chief Technology Officer of Bio Harvest Ltd. | CTO | September 27, 2018 | 0** | 0 |

* Vivien Rakib holds 30% of the shares of Bio Harvest Ltd which holds 48,337,496 shares of the Issuer.
* Yochi Hagay holds 6% of the shares of Bio Harvest Ltd.
** Does not include stock options held by Zaki Rakib to purchase 4,344,800 common shares at $0.20 per share and stock options held by Yochi Hagay to purchase 4,344,797 common shares at $0.20 per share.

Background of Directors and Officers

Dr. Zaki Rakib, Ph.D., serves as the Co-Founder and Executive Chairman of Bio Harvest Ltd. He has extensive experience within the software, telecommunications hardware, semiconductors, cellular operations and bioscience categories, where he has spearheaded the development of multiple cutting-edge innovations. Leveraging his foundation in technical sciences, Dr. Rakib was one of the first leaders in the telecommunications industry after the company he co-founded Terayon Communication Systems, invented the first cable modem, and S-CDMA technology. Dr. Rakib holds Bachelor of Science, Master of Science, and Ph.D. degrees in Engineering from Ben-Gurion University in Israel.

Mr. David Ryan has extensive experience in investment and public markets. For the past 20 years, he has been part of in bringing multiple initial public offerings to market. He has helped raise both equity and debt financings for numerous public companies in both primary and secondary financings as well as served on the board of public companies and in various roles from president to director

Vivien Rakib has served as a director of Bio Harvest since 2007. Ms. Rakib worked in software development in Silicon Valley for 18 years. She is currently an active technology startup investor and is on the board of directors of Shaker, a startup focusing on real time social virtual interaction. Ms. Rakib sits also on the board of CoPro, a non-profit organization focused on the funding the production of Israeli documentaries. Ms. Rakib holds a B.Sc. in Mathematics and Computer Science from the University of Ben Gurion in Israel.

Matthew Wright has been a Chartered Accountant for over 27 years. He received his designation in England in 1990 and his Canadian designation in 1995. Mr. Wright worked in public practice in both the UK and Canada until 2005 at which time he established his own accounting firm where he now provides accounting and consultancy services to personal tax clients and numerous companies both publically listed and private. Mr. Wright received his Bachelor of Arts degree in Accounting and Finance from the University of Liverpool in 1984. Mr. Wright commenced assisting various TSX venture issuers with the preparation of quarterly and annual filings in 2005. He was appointed Chief Financial Officer of Midnight Star Ventures Corp in December 2014. He has also served as Chief Financial Officer and Secretary of Briacell Theraputics Corp. (TSXV-BCT), a biotechnology company (formerly Ansell Capital Corp.- a mineral exploration company) since November 2010 until January 2016. Mr. Wright also served as Chief Financial Officer of Carmax Mining Corp. (TSXV-CXM), and Cobalt Power Group Inc (TSXV-CPO) (formerly Global Copper Group Inc), both mineral exploration companies, from November 2010 to August 2015. Mr. Wright also served as Chief Financial Officer of Parallel Mining Corp. (TSXV-PAL), a mineral exploration company, from October 2011 to December 2012.

The directors propose to add Yochi Hagay, the Company's Chief Technology Officer, as a member of the Board of Directors at the next Annual General Meeting.

Ms. Yochi Hagay, Ph.D., is Co-Founder, CTO of Bio Harvest Ltd and served as Chief Executive Officer at Bio Harvest. She has an extensive experience in leading research and development in the pharmaceutical and bio-tech industry. Prior to co-founding Bio Harvest in 2005, Ms. Hagay served as the Managing Partner at Zaki Rakib's Bio-Tech Capital Venture. During that time, she evaluated a large number of scientific research projects and bio-tech companies. Ms. Hagay has served in various positions in BTG for 15 years, until it was acquired by Savient. In her most recent role at Savient (2002-2005), she supervised the company's clinical studies. Ms. Hagay holds a PhD in bio-technology from the Hebrew University.

13.4 The Issuer currently has only one committee of its Board, being the Audit Committee. The members of the Audit Committee consist of Liron Carmel, Vivien Rakib and David Ryan.

Given the size of the Board, all other functions are dealt with by the full Board. The Issuer expects the Board will constitute additional committees of the Board following the next annual shareholder meeting, including a Compensation Committee and a Corporate Governance Committee.

13.5 If the principal occupation of a director or officer of the Issuer is acting as an officer of a person or company other than the Issuer, disclose the fact and state the principal business of the person or company.

See table above.

13.6 Disclose if a director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity was the subject of a cease trade or similar order:

> David K. Ryan was a director of Yaterra Ventures Corp. ("Yaterra") in January 2013 when it became subject to a cease trade order of the BCSC for failing to file financial statements as required by Multilateral Instrument 51-105. On April 24, 2014, Mr. Ryan resigned as director of Yaterra.

13.7 No director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or no personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.8 Zaki Rakib and Vivien Rakib are directors, and Vivien Rakib is a 30% shareholder of Bio Harvest Ltd., which is providing services to the Company under the Services Agreement and licensed technology to the Company under the Licensing Agreement. Yochi Hagay is the Issuer's Chief Technology Officer and CEO, CTO, director and 6% shareholder of Bio Harvest Ltd.

13.9 Management — In addition to the above provide the following information for each member of management:

David Ryan, President, Secretary and Director.

| EMPLOYER NAME | EMPLOYER ADDRESS | POSITION HELD | FROM | | TO | | Percentage of time to be devoted to the Issuer |
|---|---|---|---|---|---|---|---|
| | | | M | YY | M | YY | |
| Manado Gold Corp. | 1085 - 555 Burrard Street Vancouver, BC V7X 1M8 | Director, CFO, VP Corporate Communications | 11 | 16 | Present | | 20% |
| Midnight Star Ventures | 1085 - 555 Burrard Street, Vancouver, BC V7X 1M8 | President, Secretary, Director | 04 | 13 | Present | | 25% |
| Scotch Creek Ventures Inc. | 19838 43rd Ave, Langley, BC V6C 2T5 | CEO & Director | 01 | 17 | Present | | 25% |
| GlobeX Data Ltd. | 900 – 1021 West Hastings Street, Vancouver, BC V6E 0C3 | Director | 03 | 17 | Present | | 10% |
| Ovation Science Inc. | Suite 1085, 555 Burrard St. Vancouver, B.C. V7X 1M8 | Investor Relations Officer and Director | 10 | 17 | Present | | 20% |

Zaki Rakib, Chief Executive Officer and Director

| EMPLOYER NAME | EMPLOYER ADDRESS | POSITION HELD | FROM | | TO | | Percentage of time to be devoted to the Issuer |
|---|---|---|---|---|---|---|---|
| | | | M | YY | M | YY | |
| Midnight Star Ventures | 1085 - 555 Burrard Street, Vancouver, BC V7X 1M8 | Chief Executive Officer and Director | 09 | 18 | Present | | 100% |

Matthew Wright, Chief Financial Officer

| EMPLOYER NAME | EMPLOYER ADDRESS | POSITION HELD | FROM | | TO | | Percentage of time to be devoted to the Issuer |
|---|---|---|---|---|---|---|---|
| | | | M | YY | M | YY | |
| Midnight Star Ventures | 1085 - 555 Burrard Street, Vancouver, BC V7X 1M8 | Chief Financial Officer | 12 | 14 | Present | | 10% |

Yochi Hagay, Chief Technology Officer

| EMPLOYER NAME | EMPLOYER ADDRESS | POSITION HELD | FROM | | TO | | Percentage of time to be devoted to the Issuer |
|---|---|---|---|---|---|---|---|
| | | | M | YY | M | YY | |
| Bio Harvest Ltd. | Rehovot, Israel | Chief Executive Officer and Chief Technology Officer | 3 | 17 | Present | | 20% |
| Midnight Star Ventures | 1085 - 555 Burrard Street, Vancouver, BC V7X 1M8 | Chief Technology Officer | 09 | 18 | Present | | 80% |

Zaki Rakib as Chairman of Bio Harvest Ltd. and Yochi Hagay as CTO of Bio Havest have 10 years experience in Bio Farming.

No directors or officers have entered into non-competition or non disclosure agreements with the Issuer.

## 14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

**Issued Capital**

| **Common Shares** | **Number of Securities (non-diluted)** | **Number of Securities (fully-diluted)** | **%of Issued (non-diluted)** | **% of Issued (fully diluted)** |
|---|---|---|---|---|
| Public Float | | | | |
| Total outstanding (A) | 96,577,013 | 127,135,765 | 100% | 100% |
| | | | | |
| Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or | 50,087,497 | 58,777,094 | 51.87% | 46.18%% |

| Common Shares | Number of Securities (non-diluted) | Number of Securities (fully-diluted) | %of Issued (non-diluted) | % of Issued (fully diluted) |
|---|---|---|---|---|
| by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B) | | | | |
| | | | | |
| Total Public Float (A-B) | 46,608,455 | 68,474,441 | 48.13% | 53.76% |
| | | | | |
| Freely-Tradeable Float | | | | |
| Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C) | 70,207,162 * | 78,896,759 | 72.71% | 62% |
| | | | | |
| Total Tradeable Float (A-C) | 26,488,790 | 48,354,776 | 27.28% | 38% |

**Includes 20,119,665 shares issued on private placement subject to 4 month hold period.*

Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

**Class of Security**

| **Size of Holding** | **Number of holders** | **Total number of securities** |
|---|---|---|
| 1 – 99 securities | 0 | 0 |
| 100 – 499 securities | 1 | 260 |
| 500 – 999 securities | 0 | 0 |
| 1,000 – 1,999 securities | 16 | 20,900 |
| 2,000 – 2,999 securities | 8 | 23,600 |
| 3,000 – 3,999 securities | 2 | 7,300 |
| 4,000 – 4,999 securities | 2 | 9,400 |
| 5,000 or more securities | 179 | 38,902,253 |
| | 208 | 38,963,713 |

Public Securityholders (Beneficial)

**Instruction:** Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

**Class of Security**

| **Size of Holding** | **Number of holders** | **Total number of securities** |
|---|---|---|
| 1 – 99 securities | 0 | 0 |
| 100 – 499 securities | 1 | 260 |
| 500 – 999 securities | 0 | 0 |
| 1,000 – 1,999 securities | 16 | 20,900 |
| 2,000 – 2,999 securities | 8 | 23,600 |
| 3,000 – 3,999 securities | 2 | 7,300 |
| 4,000 – 4,999 securities | 2 | 9,400 |
| 5,000 or more securities | 179 | 38,902,253 |
| | 208 | 38,963,713 |

Non-Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

**Class of Security**

| **Size of Holding** | **Number of holders** | **Total number of securities** |
|---|---|---|
| 1 – 99 securities | | |
| 100 – 499 securities | | |
| 500 – 999 securities | | |
| 1,000 – 1,999 securities | | |
| 2,000 – 2,999 securities | | |
| 3,000 – 3,999 securities | | |
| 4,000 – 4,999 securities | | |
| 5,000 or more securities | 3 | 50,087,497 |
| | 3 | 50,087,497 |

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

| Description of Security (include conversion / exercise terms, including conversion / exercise price) | Number of convertible / exchangeable securities outstanding | Number of listed securities issuable upon conversion / exercise |
|---|---|---|
| 1. Non-transferable warrants issued on September 27, 2018 Private placement of units 20,119,665 exercisable for 2 years at $0.23 per share. | 20,119,665 | 20,119,665 |
| 2. Non-transferable warrants issued to finders and investment dealers in connection with the private placement exercisable at $0.23 per share expiring September 27, 2020 | 783,983 | 783,983 |

14.3 None

## 15. Executive Compensation

| Name and Principal Position | Year | Salary ($) | Share Based Awards ($) | Option Based Awards ($) | Non Equity Incentive Plan Compensation ($) | | Pension Value ($) | All Other Compensation (Consulting Fees) ($) | Total Compensation ($) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Annual Incentive Plans | Long Term Incentive Plans ($) | | | |
| David Ryan President and Secretary | 2018 | Nil | Nil | Nil | Nil | Nil | Nil | 36,000 | 36,000 |
| | 2017 | Nil | Nil | Nil | Nil | Nil | Nil | 36,000 | 36,000 |
| | 2016 | Nil | Nil | Nil | Nil | Nil | Nil | 36,000 | 36,000 |
| Matthew Wright CFO (1) | 2018 | Nil | Nil | Nil | Nil | Nil | Nil | 23,500 | 23,500 |
| | 2017 | Nil | Nil | Nil | Nil | Nil | Nil | 21,700 | 21,700 |
| | 2016 | Nil | Nil | Nil | Nil | Nil | Nil | 22,000 | 22,000 |

## 16. Indebtedness of Directors and Executive Officers

No Directors or Officers are indebted to the Issuer.

## 17. Risk Factors

The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Common Shares could decline, and investors may lose all or part of their investment.

(a) The Issuer's Development Plan is essentially a research and development plan and although the Bio Harvest Technology has been commercialized for the purpose of producing grape plant cell products there is no assurance that the Development plan will be successful or that the Issuer will be able to produce Cannabis cell products that are commercial.

    Although the Issuer has more than sufficient capital to fund its Development Plan under the Services Agreement the possibility exists that additional funding beyond that which is budgeted may be required to fund the Development Program to successful conclusion. If the budgeted funds are not sufficient the Company may be required to complete additional equity financings which would result in dilution of the existing shareholders. In the event the Development Program is successful the Company would require considerable additional funding to establish a production facility and set up marketing infrastructure or would need to sublicense the Bio Harvest Technology for Cannabis to sublicensees with sufficient funding. The additional funding to establish a production facility would most likely require additional equity financings resulting in dilution to existing shareholders.

(b) The Issuer may in the future produce or sell Cannabis products in the United States or sublicense its technology to persons in the United States.

    (i) While cannabis is legal in many US state jurisdictions, it continues to be a controlled substance under the United States federal Controlled Substances Act. Investors are cautioned that in the United States, cannabis is largely regulated at the state level.

    (ii) To the Issuer's knowledge, there are to date a total of 29 states, plus the District of Columbia, Puerto Rico and Guam that have legalized cannabis in some form, including Florida, Massachusetts and Arizona. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the CSA and marijuana remains illegal under federal laws in the United States.

    (iii) Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, its holding (directly or indirectly) of medical cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Issuer to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

(iv) If state and/or federal legislation changes or regulatory agencies amend their practices or interpretive policies, or expended its resources enforcing existing state and/or federal laws, such action(s) could have a materially adverse effect on (a) the Issuer or sublicensees ability to obtain lawfully sourced raw materials; and, (b) the manufacturing, marketing, distribution and sale of the Issuer's sublicensees products in one or multiple jurisdictions, up to and including a complete interruption of its business. Further, additional government regulation in the industrial hemp industry could cause potential customers and users to be reluctant to purchase the Company's and sublicensees products, which would be detrimental to the Company's business. The Company cannot predict the nature of any future U.S. federal, state and/or laws, regulations, interpretations or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on its business.

(v) The US federal Controlled Substances Act, ("CSA") classifies "marihuana" as a Schedule I controlled substance and makes "marihuana" use and possession illegal on a national level. The United States Supreme Court has ruled that it is the federal government that has the right to regulate and criminalize "marihuana," even for medical purposes, and thus federal law criminalizing the use of "marihuana" pre-empts state laws that legalize its use. As of the date of this listing statement, approximately thirty states authorized industrial hemp programs pursuant to the Agricultural Act of 2014 (the "Farm Bill"). Continued development of the industrial hemp industry will be dependent upon new legislative authorization of industrial hemp at the state level, and further amendment or supplementation of legislation at the federal level. Any number of events or occurrences could slow or halt progress all together in this space. While progress within the industrial hemp industry is currently encouraging, growth is not assured. While there appears to be ample public support for favorable legislative action, numerous factors may impact or negatively affect the legislative process(es) within the various states it has business interests in. Any one of these factors could slow or halt use of industrial hemp, which would negatively impact the Company's business up to possibly causing it to discontinue operations as a whole.

The Issuer may not be successful in developing and implementing policies and strategies to address the foregoing factors in a timely and effective manner in the locations where it will do business. Consequently, the occurrence of one or more of the foregoing factors could have a material adverse effect on its base operations and upon its financial condition and results of operations.

(c) The Cannabis products market is highly regulated in almost all jurisdictions where medical and recreational Cannabis products may be sold including the licensing of persons or companies engaged in production or sale of Cannabis products. There is no assurance that the Issuer will be able to obtain the required licenses to conduct its business activities or sell Cannabis products made using the Bio Harvest Technology which would adversely affect the development plans and business of the Issuer.

(d) Cannabis products that may be sold in jurisdictions where medical or recreational consumption is permitted may be restricted or prohibited which could adversely affect the market for products developed by the Issuer or require the Issuer to go through expensive and extensive testing requirements all of which would require possible additional equity fundraising and result in dilution to the Issuer's shareholders.

## 18. Promoters

18.1 The following persons or companies is, or has been within the two years immediately preceding the date of the Listing Statement, a promoter of the Issuer or of a subsidiary of the Issuer, state:

| | | | |
|---|---|---|---|
| (a) | Name: | David K. Ryan | Bio Harvest Ltd. |
| (b) | Number of Shares: | 700,001 | 48,337,496 |

(c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the Issuer or from a subsidiary of the Issuer, and the nature and amount of any assets, services or other consideration therefor received or to be received by the Issuer or a subsidiary of the Issuer in return; and – See Item 3.2 for details of consideration received by Bio Harvest Ltd.

(d) see Item 15 for details of executive compensation received by David. K Ryan.

(i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined. See Item 3.2 for details of consideration paid to Bio Harvest Ltd.

(ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the Issuer, the promoter, or an associate or affiliate of the Issuer or of the promoter, and - See Item 3.2 for details.

(iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter. See Item 4.1 for details of expenditures by Bio Harvest Ltd.

18.2 David K. Ryan was a director of Yaterra in January 2013 when it became subject to a cease trade order of the BCSC for failing to file financial statements as required by Multilateral Instrument 51-105. On April 24, 2014, Mr. Ryan resigned as director of Yaterra.

## 19. Legal Proceedings

19.1 The Issuer is not involved in any legal proceedings.

19.2 The Issuer has not been the subject of any regulatory actions.

## 20. Interest of Management and Others in Material Transactions

20.1 Describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer:

Zaki Rakib is the Executive Chairman of Bio Harvest Ltd. and Vivien Rakib is a 30% shareholder of Bio Harvest. Yochi Hagay is a 6% shareholder of Bio Harvest Ltd. and as such they have an interest in the issuance of 48,337,496 shares under the Share Purchase Agreement, the payments to be made under the Licensing Agreement and the payments to be made under the Services Agreement (see Item 3.2 for details).

## 21. Auditors, Transfer Agents and Registrars

21.1 State the name and address of the auditor of the Issuer.

Morgan & Company
609 Granville St #1630, Vancouver, BC V7Y 1A1

21.2 For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the Issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the Issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

National Issuer Services Ltd.
760 - 777 Hornby Street, Vancouver, BC, V6Z 1S4

## 22. Material Contracts

Share Purchase Agreement between Bio Harvest Ltd. and Midnight Star Ventures Corp. dated April 19, 2018. See section 3.2.

License Agreement between Bio Harvest Ltd. and Dolarin Ltd. dated April 19, 2019. See section 3.2.

Services Agreement between Bio Harvest Ltd. and Dolarin Ltd. dated April 19, 2018. See section 3.2.

## 23 Interest of Experts

There are no direct or indirect interests in the property of the Issuer or of a Related Person of the Issuer received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

## 24. Other Material Facts

24.1 There are no material facts about the Issuer and its securities that are not disclosed under the preceding items and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

## 25. Financial Statements

25.1 Attached as Exhibits D, E & F are the Audited Financial Statements of the Issuer for the fiscal years ended April 30, 2016, April 30, 2017 and April 30, 2018.

25.2

Annual Information – Dolarin Ltd.

The following table summarizes selected annual financial data for the Company prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**") for the period from inception February 26, 2018 to April 30, 2018. The information presented below is derived from Dolarin's unaudited financial statements.

| | Inception February 26, 2018 to April 30, 2018 |
|---|---|
| Gross revenues (loss) | 0 |
| Total expenses | 1,101 US$ - $1,442,31 CDN$ |
| Other Items | 0 |
| Deferred income tax recovery | 0 |
| Net loss | (1,101 US$ - $1,442,31 CDN$) |
| Basic and diluted loss, per share | (0.01) |
| Total assets | 0 |
| Long-term debt | 0 |
| Dividends declared | 0 |

(a) Attached as Exhibit G are the unaudited (Prepared by Management) financial statements of Dolarin Ltd. as at April 30, 2018 (audit not provided as Dolarin Ltd. was a vehicle incorporated to complete the acquisition by the Issuer of the Bio Harvest Technology License and has no assets or liabilities prior to the closing date.)

(b) Attached as Exhibit H are pro-forma consolidated financial statements for the Issuer giving effect to the close of the Share Purchase Agreement, License Agreement and Services Agreement for the last full fiscal year of the Issuer.

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC

this 27th day of September, 2018.

| | |
|---|---|
| ZAKI RAKIB<br>Chief Executive Officer | MATTHEW WRIGHT<br>Chief Financial Officer |
| DAVID K RYAN<br>Promoter (if applicable) | Director, Vivien Rakib |
| | Director, LIRON CARMEL |

BIO HARVEST LTD. - Promoter

Per:

ZAKI RAKIB, CHAIRMAN

[print or type names beneath signatures]

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC

this 27th day of September, 2018.

ZAKI RAKIB
Chief Executive Officer

MATTHEW WRIGHT
Chief Financial Officer

DAVID KRYAN
Promoter (if applicable)

Director, Vivien Rakib

Director, LIRON CARMEL

BIO HARVEST LTD. - Promoter

Per:

ZAKI RAKIB, CHAIRMAN

[print or type names beneath signatures]

## CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the target). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC

this 27th day of September, 2018.

ZAKI RAKIB
Chief Executive Officer – Dolarin Inc.

VIVIEN RAKIB
Chief Financial Officer – Dolarin Inc.

Director - ZAKI RAKIB

Director - VIVIEN RAKIB

[print or type names beneath signatures]

# APPENDIX A

# MIDNIGHT STAR VENTURES CORP.

## Management's Discussion and Analysis

## For the Year Ended

## April 30, 2018

## INTRODUCTION

The following discussion and analysis, prepared as of June 25, 2018 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended April 30, 2018, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under RISK AND UNCERTAINTIES in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV".

As at April 30, 2018, the Company held cash of $357,328 compared to $2,526 at April 30, 2017.

Amounts capitalized into exploration and evaluation assets at April 30, 2018 totaled $137,486 and the amount at April 30, 2017 amounted to $109,871.

As of April 30, 2018, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers about 1120 acres (453 hectares).

## SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2018, 2017, 2016 and 2015:

| | Year Ended April 30 2018 | Year Ended April 30 2017 | Year Ended April 30 2016 | Year Ended April 30 2015 |
|---|---|---|---|---|
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss for the year | $ (210,435) | $ (136,189) | $ (162,710) | $ (241,702) |
| Basic and diluted loss per share | $ | $ | $ | $ |
| Total Assets | $ 498,514 | $ 114,605 | $ 115,066 | $ 100,851 |
| Total Liabilities | $ 45,762 | $ 225,421 | $ 89,693 | $ 75,681 |
| Cash Dividends per share | $ - | $ - | $ - | $ - |

## RESULTS OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2018

| | YEARS ENDED APRIL 30 2018 | 2017 |
|---|---|---|
| **Expenses** | | |
| Communications | $ **2,060** | $ 1,669 |
| Consulting | **-** | 900 |
| Depreciation | **321** | 660 |
| Interest on notes payable | **5,075** | 8,324 |
| Management fees | **36,000** | 36,000 |
| Office and miscellaneous | **514** | 2,959 |
| Professional fees | **141,400** | 56,227 |
| Promotion | **-** | 4,470 |
| Regulatory and filing fees | **14,242** | 12,323 |
| Rent | **12,000** | 12,000 |
| Travel | **-** | 657 |
| | **211,612** | 136,189 |
| *Net loss before other item* | **(211,612)** | (136,189) |
| *Gain on settlement of notes payable* | **1,177** | - |
| *Net Loss and Comprehensive Loss for the Year* | $ **(210,435)** | $ (136,189) |
| *Loss Per Share, Basic and Diluted* | $ **(0.01)** | $ (0.01) |
| *Weighted Average Number of Shares Outstanding* | **20,246,547** | 14,561,935 |

The Company incurred a net loss and comprehensive loss of $210,435 during the year ended April 30, 2018, compared to a net loss and comprehensive loss of $136,189 for comparative year ended April 30, 2017.

The most significant differences in expenses incurred in the year ended April 30, 2018 and 2017 are discussed below:

Communication costs increased to $2,060 (2017 – $1,669) as a result of increased communications activity.

Consulting fees decreased to $Nil (2017 - $900), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year.

Interest on notes payable decreased to $5,075 (2017 - $8,324) a result of the settlement of the notes during the current year for cash and common shares, thereby reducing the interest charges incurred.

Office expenses decreased to $514 (2017 - $2,959) as a result of less corporate activity.

Professional fees increased to $141,400 (2017 - $56,227) a result of the company incurring non-routine legal fees, pursuant to the reverse takeover transaction (see Proposed Transaction) and financing undertaken during the year.

Promotion decreased to $Nil (2017 - $4,470) a result of fewer promotional activities by management.

Regulatory and filing fees increased to $14,242 (2017 - $12,323) as result of the Company undertaking the private placement during the year.

Gain on settlement of notes payable increased to $1,177 (2017 - $Nil) a result of the settlement of the notes payable by issuance of common shares and cash payment.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the year ended April 30, 2018, the Company incurred $27,615 (2017 - $25,745) of exploration or evaluation expenditures on the Fish Property.

<u>The Fish Property</u>

The Fish Project is owned by Claremont Nevada Mines LLC. Midnight Star entered into a new option agreement dated August 28, 2016 (the "New Agreement") with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation, under the terms of which Midnight Star had the option to acquire up to an 80% interest in the Fish Project.

The New Agreement provides that the Company can acquire a 100% interest in the claims by making staged advance royalty payments as follows:

i) Cdn$2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) Cdn$2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) Cdn$9,866 (US$7,500) on or before August 28, 2015 (paid);
iv) Cdn $2,623 (US$2,000) on or before August 28, 2016 (paid);
iv) Cdn$10,660 (US$8,000) on or before October 12, 2016 (paid);
v) Cdn$15,600 (US$12,500) on or before August 28, 2017 (paid);
iv) Cdn$19,260 (US$15,000) on or before August 28, 2018.

In addition to the advanced royalty payments, the Company must deliver $1,000 and either a copy of a mine plan or final feasibility study on or before August 28, 2018. If the Company cannot meet these requirements, the option may be extended for an additional five years. If the option is extended, the Company will be required make an advance royalty payment of $16,050 (US$12,500) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2018, the Company incurred $15,600 (US$10,000) in advance royalty payments and $12,015 (US$10,485) of claim maintenance fees on the Fish Property.

During the year ended April 30, 2017, the Company incurred $13,283 (US$10,000) in advance royalty payments and $11,588 (US$8,835) of claim maintenance fees on the Fish Property. The Company also made exploration advances of $874 (US$672).

During the year ended April 30, 2016, the Company paid the advance royalty payment of $9,866 (US$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating $32,748 (US$24,772).

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

*Discussion of the Fish Property*

Compete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

*Continued Exploration and Development*

The Company commissioned its own NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014 which was filed on SEDAR on February 25, 2015. This report recommended a two phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consisted of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight

Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately $107,000.

**Summary of Quarterly Results**

The following is a summary of the Company's quarterly results for the period from May 1, 2016 to April 30, 2018 reported in Canadian currency.

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | **APRIL 30, 2018** | **JANUARY 31, 2018** | **OCTOBER 31, 2017** | **JULY 31, 2017** |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (85,929) | $ (40,118) | (46,779) | $ (37,609) |
| Net income (loss) for the period | $ (85,929) | $ (40,118) | (46,779) | $ (37,609) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | (0.00) | $ (0.00) |

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | APRIL 30, 2017 | JANUARY 31, 2017 | OCTOBER 31, 2016 | JULY 31, 2016 |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (45,469) | $ (24,004) | $ (36,427) | $ (30,289) |
| Net income (loss) for the period | $ (45,469) | $ (24,004) | $ (36,427) | $ (30,289) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

The Company reported a net loss of $85,929 for the three month period ended April 30, 2018 compared to $45,469 for the comparable three month period ended April 30, 2017. The basic loss per share for the three month period ended April 30, 2018 was ($0.00) versus ($0.00) for the comparable period of 2017.

## RESULTS OF OPERATIONS FOR THE THREE MONTH PEROD ENDED APRIL 30, 2018

| | THREE MONTHS ENDED APRIL 30, | | | |
|---|---|---|---|---|
| | | **2018** | | 2017 |
| **Expenses** | | | | |
| Communications | | **534** | | 165 |
| Depreciation | | **-** | | 165 |
| Interest on notes payable | | **153** | | 2,680 |
| Management fees | | **9,000** | | 9,000 |
| Office and miscellaneous | | **58** | | 459 |
| Professional fees | | **67,666** | | 27,320 |
| Promotion | | **-** | | 612 |
| Regulatory and filing fees | | **5,518** | | 2,005 |
| Rent | | **3,000** | | 3,000 |
| Travel | | **-** | | 63 |
| | | **85,929** | | 45,469 |
| *Net Loss and Comprehensive Loss for the Period* | $ | **(85,929)** | $ | (45,469) |
| *Loss Per Share, Basic and diluted* | $ | **(0.00)** | $ | (0.00) |
| *Weighted Average Number of Shares Outstanding* | | **26,643,768** | | 14,561,935 |

The Company incurred a net loss and comprehensive loss of $85,929 during the three month period ended April 30, 2018, compared to a net loss and comprehensive loss of $45,469 for comparative three month period ended April 30, 2017.

The most significant differences in expenses incurred in the three month periods ended April 30, 2018 and 2017 are discussed below:

Interest on notes payable decreased to $153 (2017 - $2,680) as result of the settlement of notes payable in prior quarters.

Professional fees increased to $67,666 (2017 - $27,320) due to increased non-routine legal services received during the quarter.

Promotion decreased to $Nil (2017 - $612) as a result of decreased promotional activity by management.

Regulatory and filing fees increased to $5,518 (2017 - $2,005), as a result of increased transaction costs being incurred during the period.

All other expenses were generally consistent with the amounts incurred in the comparative period.

## LIQUIDITY AND CAPITAL RESOURCES

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At April 30, 2018 the Company held cash of $357,328, (2017 - $2,526), had amounts recoverable, consisting of Goods and services tax recoverable of $3,700 (2017 – $1,887). The Company had current liabilities of $45,762 (2017 - $225,421). At April 30, 2018, the Company's working capital was $315,266 (2017 – working capital deficiency of $221,008).

During the year ended April 30, 2018, the Company completed a Private Placement Offering and issued 8,500,000 common shares at a price of $0.0675 per Share for total proceeds of $573,750. Pursuant to the financing the Company paid commissions or finders fees to registered brokers of $44,181. The proceeds of the offering will be used for working capital purposes.

During the year ended April 30, 2018, 81,841 Agents Options were exercised at a price of $0.10 for gross proceeds of $8,184.

Pursuant to settlement agreements entered into on September 13, 2017 and September 27, 2017, to settle notes payable and accrued interest aggregating $183,487 and accounts payable and accrued liabilities of $61,718 the Company issued 3,499,992 common shares with a deemed price of $0.0675 and made a cash payment of $7,778.

On March 28, 2018, the Company settled a note payable with a face value of $10,000 by cash settlement of $10,685 including $685 of accrued interest.

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of $12,000, which on April 25, 2016, was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the 2016 fiscal year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding or seek joint venture partners on its project. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at April 30, 2018, the primary assets of the Company comprise cash of $357,328, other receivable comprising GST recoverable of $3,700 and its mineral property holding which is valued at $137,486. As of April 30, 2018, the Company had a working capital of $315,266.

Financings and share issuances which occurred prior to the IPO and the financing noted above were as follows:

a) On December 22, 2014, the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at $0.02 per share on April 30, 2014 for aggregate proceeds of $131,600 pursuant to a non-brokered private placement.

## CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at $137,486 at April 30, 2018. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at April 30, 2018.

## OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at April 30, 2018, accounts payable and accrued liabilities include $3,150 (2017 - $Nil) for management fees charged by a company controlled by the President, $Nil (2017 - $14,400) for management fees charged directly by the Company President, $Nil (2017 - $618) for expenses incurred by the President on behalf of the Company, and $4,000 (2017 - $20,265) for services rendered to the Company by a company controlled by an officer of the Company.

During the years ended April 30, 2018 and 2017, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

a) Paid or accrued management fees of $18,000 (2017 - $36,000) to the Company President, David Ryan.

b) Paid or accrued management fees of $18,000 (2017 - $Nil) to a Company controlled by the Company President.

c) Paid or accrued consulting fees of $Nil (2017 - $900) to Stephen Ryan, a relative of the Company President, David Ryan.

d) Paid or accrued professional fees of $23,500 (2017 - $21,700) to a company controlled by Matthew Wright, the Company CFO.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at April 30, 2018, the Company's financial instruments consist of cash, and accounts payable and accrued liabilities,

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

   The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

b) Liquidity Risk

   Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

c) Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and short-term investment is limited because the majority of the Company's cash and short-term investment balances are held by a Canadian chartered bank and the convertible notes payable are subject to a fixed interest rate.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 56 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at April 30, 2018, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

## PROPOSED TRANSACTION

On April 19, 2018, the Company entered into a Share Purchase Agreement (the "SPA") with Bio Harvest Ltd. ("Bio Harvest") whereby, subject to shareholder and regulatory approval, the Company will acquire a 100% interest in Dolarin Ltd. ("Dolarin"), a controlled subsidiary of Bio Harvest (the "Transaction").

Pursuant to the SPA the Company will issue common shares to Bio Harvest equal to 50% of the issued and outstanding share capital of the Company immediately following the closing of the SPA ). As a result of the SPA, the Company will become the sole shareholder of Dolarin, and Bio Harvest will control the Company. The completion of this Transaction will constitute a Reverse Takeover of the Company by Bio Harvest.

As a condition of the Transaction a Financing will be conducted by the Company to raise a minimum of $3,250,000 by issuing up to 22,000,000 Units at a subscription price of $0.15 per

Unit (the "Financing"). Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant is exercisable into one common share of the Issuer at an exercise price of $0.23 for a period of 24 months following the closing of the Transaction. Agents were retained for the Financing. The agents will receive a cash commission of 5% of the gross proceeds and broker's warrants equivalent to 5% of the number of Units issued. Each broker's warrant is exercisable into one common share of the Company at $0.23 for a period of 24 months following closing.

As compensation for brokering the transaction, the Company will pay $109,395 (US$85,000) and issue common shares equivalent to 3% of the number of shares issued to Bio Harvest to an unrelated 3rd party.

The Transaction also provides for the Company to adopt a Stock Option plan whereby Employee Stock Option Plan ("ESOP") shares shall constitute 10% of the issued and outstanding share capital of the Company. Such stock options shall be granted immediately upon closing and vest over a 2-year period on a quarterly basis to employees of Dolarin.

On April 19, 2018, Bio Harvest and Dolarin entered into a Licence Agreement, which has an effective date of the closing of the Transaction. Pursuant to the licence agreement Dolarin shall acquire certain worldwide, non-transferable, royalty bearing licences in perpetuity from Bio Harvest for the use of Bio Harvest's biotechnology for the production and sale of cannabis products for the medical and recreational markets.

Dolarin shall acquire the licences for the following consideration:

a) The issuance of 900,000 common shares of Dolarin to Bio Harvest.
b) The payment of $205,920 (US$160,000) in 16 equal monthly payments of $12,870 (US$10,000) commencing on the effective date.
c) The payment to Bio Harvest of a milestone payment comprising $1,081,080 (US$840,000) upon the commencement of construction of the first manufacturing facility for relevant licensed product.

On April 19, 2018, Bio Harvest and Dolarin also entered into a Services Agreement with an effective date of the closing of the Transaction. Pursuant to the Servicing Agreement Dolarin will contract Bio Harvest to perform certain limited research, development and commercialisation of Bio Harvest's technology for the field of cannabis including the equipment, materials, facilities and personnel. The initial period of the agreement shall be for 16 months, from closing of the Transaction at a budgeted cost of $1,979,406 (US$1,538,000). Further expenditures may be required if the objectives of the research are not met during the initial period.

Subsequent to year-end, the Company made a payment to Bio Harvest of $129,436 (US$ - 100,105) as an advance relating to the proposed transaction.

Under the terms of the Transaction the board of directors of Midnight Star will consist of six persons with half the Board to be nominated by Bio Harvest. The following persons have been nominated by Bio Harvest:

Dr. Zaki Rakib, Ph.D., serves as the Co-Founder and Executive Chairman of Bio Harvest. He has extensive experience within the software, telecommunications hardware, semiconductors, cellular operations and bioscience categories, where he has spearheaded the development of multiple cutting-edge innovations. Leveraging his foundation in technical sciences, Dr. Rakib was one of the first leaders in the telecommunications industry. He co-founded Terayon Communication Systems, invented the first cable modem, and S-CDMA technology. Dr. Rakib holds Bachelor of Science, Master of Science, and Ph.D. degrees in Engineering from BenGurion University in Israel.

Mrs Vivien Rakib holds a B.Sc in Math and computer science. She had extensive experience in Software development for fortune 100 companies primarily in Silicon Valley California including Sun Microsystems and Phillips semiconductors. Mrs. Rakib is an investor in high-tech and in biotech. Most noteworthy are Shaker (where she also served as a board member) who was acquired by Play-Studios and Bio Harvest where she is currently the largest shareholder and a board member. Mrs Rakib also serves on the board of 2 NGO's.

Initially at closing, the capacity of the Board is four members and the above two persons will be appointed with a third member to be appointed at the next general meeting of Midnight Star after the board capacity is increased to six members. In addition, Midnight Star will appoint Liron Carmel as a director Midnight Star. Mr. Carmel is a businessman based in Israel with experience in management of technology companies. He is currently the Chairman of Smart Energy Solutions Inc. and is a former Chairman of Emerald Medical Applications Corp. It is anticipated the current directors Shane Epp and Bernie Hoing will resign to make room for the appointments. David Ryan will continue as a director of Midnight Star. In addition, Mr. Epp and Mr. Ryan will transfer a total of 525,000 escrowed shares of Midnight Star to Mr. Carmel for nominal consideration of $0.01 per share.

## OTHER INFORMATION

### Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

*Common Shares*

| | Number of Shares |
|---|---|
| Authorized | |
| Unlimited common shares, without par value | |
| Issued | |
| Balance at April 30, 2018 and June 25, 2018 | 26,643,768 |

*Agents Options*

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| **123,939** | $0.10 | August 4, 2018 |

*Stock Options*

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

*Shares held in Escrow*

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

As the Company anticipates being an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

In April 2017, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow agreement, were exercised by the President of the Company. As such 187,500 were released immediately and the remaining amount was released on the anniversary of the Listing Date. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at June 23, 2018, 532,501 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

Except for the proposed transaction there are no other potential share issuance obligations outstanding as of June 23, 2018.

## INVESTOR RELATIONS CONTRACT

None

## CONTRACTUAL OBLIGATIONS

None

## RISKS AND UNCERTAINTIES

### Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

### History of Losses

The Company has incurred net losses every period since inception and as of April 30, 2018, had an accumulated deficit of $769,234

### No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

### Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

### Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

### Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

## Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

## MD&A PREPARATION

This MD&A was prepared as of June 25, 2018. This MD&A should be read in conjunction the audited financial statements for the year ended April 30, 2018. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.SEDAR.com.

# APPENDIX B

# MIDNIGHT STAR VENTURES CORP.

## Management's Discussion and Analysis

### For the Year Ended

### April 30, 2017

## INTRODUCTION

The following discussion and analysis, prepared as of August 24, 2017 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended April 30, 2017, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under RISK AND UNCERTAINTIES in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

As at April 30, 2017, the Company held cash of $2,526 compared to $26,518 at April 30, 2016.

Amounts capitalized into exploration and evaluation assets at April 30, 2017 totaled $109,871 and the amount at April 30, 2016 amounted to $84,126.

As of April 30, 2017, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers about 1120 acres (453 hectares).

## SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2017, 2016, 2015 and 2014:

| | | Year Ended April 30 2017 | | Year Ended April 30 2016 | | Year Ended April 30 2015 | | Year Ended April 30 2014 |
|---|---|---|---|---|---|---|---|---|
| Total revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss for the year | $ | (136,189) | $ | (162,710) | $ | (241,702) | $ | (77,414) |
| Basic and diluted loss per share | $ | | $ | | $ | | $ | |
| Total Assets | $ | 114,605 | $ | 115,066 | $ | 100,851 | $ | 64,159 |
| Total Liabilities | $ | 225,421 | $ | 89,693 | $ | 75,681 | $ | 9,344 |
| Cash Dividends per share | $ | - | $ | - | $ | - | $ | - |

## RESULTS OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2017

| | | YEARS ENDED APRIL 30 **2017** | | 2016 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Bank charges and interest | **$** | **595** | $ | 654 |
| Communications | | **1,669** | | 3,419 |
| Consulting | | **900** | | 2,100 |
| Depreciation | | **660** | | 660 |
| Interest on notes payable | | **8,324** | | 2,044 |
| Management fees | | **36,000** | | 45,000 |
| Office and miscellaneous | | **2,364** | | 2,623 |
| Professional fees | | **56,227** | | 57,459 |
| Promotion | | **4,470** | | 10,563 |
| Regulatory and filing fees | | **12,323** | | 24,581 |
| Rent | | **12,000** | | 12,000 |
| Share-based payments | | **-** | | - |
| Travel | | **657** | | 1,607 |
| | | **136,189** | | 162,710 |
| *Net Loss and Comprehensive Loss for the Year* | **$** | **(136,189)** | $ | (162,710) |
| *Loss Per Share, Basic and Diluted* | **$** | **(0.01)** | $ | (0.02) |
| *Weighted Average Number of Shares Outstanding* | | **14,561,935** | | 13,757,692 |

The Company incurred a net loss and comprehensive loss of $136,189 during the year ended April 30, 2017, compared to a net loss and comprehensive loss of $162,710 for comparative year ended April 30, 2016.

The most significant differences in expenses incurred in the year ended April 30, 2017 and 2016 are discussed below:

Consulting fees decreased to $900 (2016 - $2,100), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year.

Communication costs decreased to $1,669 (2016 – $3,419) as a result of decreased telephone activity.

Interest on notes payable increased to $8,324 (2016 - $2,044) as a result of increases in notes outstanding.

Management fees decreased to $36,000 (2016 - $45,000) as the fees paid to the president were reduced from $4,000 to $3,000 per month in March 2015. The Company also in December 2014 commenced paying a $1,000 per month director's fee to Bernie Hoing. The arrangement with Bernie Hoing ceased in January 2016.

Promotion decreased to $4,470 (2016 - $10,563) as result of fewer promotional activities by management.

Regulatory and filing fees decreased to $12,323 (2016 - $24,581) as a direct result of the having fewer filing fees post IPO.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the year ended April 30, 2017, the Company incurred $25,745 of exploration or evaluation expenditures on the Fish Property.

<u>The Fish Property</u>

The Fish Project is owned by Claremont Nevada Mines LLC. Midnight Star entered into a new option agreement dated August 28, 2016 (the "New Agreement") with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation, under the terms of which Midnight Star had the option to acquire up to an 80% interest in the Fish Project.

The New Agreement provides that the Company can acquire a 100% interest in the claims by making staged advance royalty payments as follows:

i) Cdn$2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) Cdn$2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) Cdn$9,866 (US$7,500) on or before August 28, 2015 (paid)
iv) Cdn $2,623 (US$2,000) on or before August 28, 2016 (paid)
iv) Cdn$10,660 (US$8,000) on or before October 12, 2016 (paid)
v) Cdn$16,250 (US$12,500) on or before August 28, 2017;
iv) Cdn$19,500 (US$15,000) on or before August 28, 2018.

In addition to the advanced royalty payments, the Company must deliver $1,000 and either a copy of a mine plan or final feasibility study on or before August 28, 2018. If the Company cannot meet these requirements, the option may be extended for an additional five years. If the option is extended, the Company will be required make an advance royalty payment of $16,250 (US$12,500) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2017, the Company incurred $13,283 (US$10,000) in advance royalty payments and $11,588 (US$8,835) of claim maintenance fees on the Fish Property. The Company also made exploration advances of $874 (US$672).

During the year ended April 30, 2016, the Company paid the advance royalty payment of $9,866 (US$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating $32,748 (US$24,772).

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

*Discussion of the Fish Property*

Compete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

*Continued Exploration and Development*

The Company commissioned its own NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014 which was filed on SEDAR on February 25, 2015. This report recommended a two phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consisted of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. Phase 1 to date has cost $32,748 (US$24,772) against a budgeted cost of approximately US$20,600. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately $107,000.

### Summary of Quarterly Results

The following is a summary of the Company's quarterly results for the period from May 1, 2015 to April 30, 2017 reported in Canadian currency.

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | **APRIL 30, 2017** | **JANUARY 31, 2017** | **OCTOBER 31, 2016** | **JULY 31, 2016** |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (45,469) | $ (24,004) | (36,427) | $ (30,289) |
| Net income (loss) for the period | $ (45,469) | $ (24,004) | (36,427) | $ (30,289) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | (0.00) | $ (0.00) |

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | APRIL 30, 2016 | JANUARY 31, 2016 | OCTOBER 31, 2015 | JULY 31, 2015 |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (40,739) | $ (27,487) | $ (57,812) | $ (36,672) |
| Net income (loss) for the period | $ (40,739) | $ (27,487) | $ (57,812) | $ (36,672) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

The Company reported a net loss of $45,469 for the three month period ended April 30, 2017 compared to $40,739 for the comparable three month period ended April 30, 2016. The basic loss per share for the three month period ended April 30, 2017 was ($0.00) versus ($0.00) for the comparable period of 2016.

## RESULTS OF OPERATIONS FOR THE THREE MONTH PEROD ENDED APRIL 30, 2017

| | | THREE MONTHS ENDED APRIL 30, 2017 | | 2016 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Bank charges and interest | $ | **47** | $ | 85 |
| Communications | | **165** | | 980 |
| Depreciation | | **165** | | 165 |
| Interest on notes payable | | **2,680** | | 532 |
| Management fees | | **9,000** | | 9,000 |
| Office and miscellaneous | | **412** | | 158 |
| Professional fees | | **27,320** | | 19,229 |
| Promotion | | **612** | | 1,974 |
| Regulatory and filing fees | | **2,005** | | 4,267 |
| Rent | | **3,000** | | 3,000 |
| Travel | | **63** | | 449 |
| | | **45,469** | | 40,739 |
| *Net Loss and Comprehensive Loss for the Period* | $ | **(45,469)** | $ | (40,739) |
| *Loss Per Share, Basic and diluted* | $ | **(0.00)** | $ | (0.00) |
| *Weighted Average Number of Shares Outstanding* | | **14,561,935** | | 14,335,418 |

The Company incurred a net loss and comprehensive loss of $45,469 during the three month period ended April 30, 2017, compared to a net loss and comprehensive loss of $40,739 for comparative three month period ended April 30, 2016.

The most significant differences in expenses incurred in the three month periods ended April 30, 2017 and 2016 are discussed below:

Interest on notes payable increased to $2,680 (2016 - $532) as a result of increases in convertible notes outstanding.

Professional fees increased to $27,320 (2016 - $19,229) due to increased non-routine legal services requested during the quarter.

Promotion decreased to $612 (2016 - $1,974) as a result of decreased promotional activity by management.

Regulatory and filing fees decreased to $2,005 (2016 - $4,267) as a result of the Company switching to a lower cost transfer agent.

All other expenses were generally consistent with the amounts incurred in the comparative period.

## LIQUIDITY

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At April 30, 2017 the Company held cash of $2,526, (April 30, 2016 - $26,518), had amounts recoverable, consisting of Goods and services tax recoverable of $1,887 (April 30, 2016 – $1,752) and had prepaid expenses of $nil (2016 - $1,689). The Company had current liabilities of $225,421 (April 30, 2016 - $89,693). At April 30, 2017, the Company's working capital deficiency was $221,008 (April 30, 2016 – working capital deficiency of $59,734).

On August 21, 2017, the Company issued a promissory note in the amount of $31,384 (US$23,000). The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 21st of each year. The note is repayable on demand.

On July 21, 2017, the Company issued a promissory note in the amount of $10,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on July 21, of each year. The note is repayable upon demand.

On January 16, 2017, the Company issued a promissory note in the amount of $30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on January 16, of each year. The note is repayable upon demand.

On October 10, 2016, the Company issued a promissory note in the amount of $30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on October 10, of each year. The note is repayable upon demand

On August 23, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 23 of each year. The note is repayable upon demand.

On June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

On April 25, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on April 25 of each year. The note has is repayable upon demand.

On March 24, 2015, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on March 15, of each year. The note has is repayable upon demand..

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of $12,000, which on April 25, 2016, was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the 2015 fiscal year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding or seek joint venture partners on its project. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at April 30, 2017, the primary assets of the Company comprise cash of $2,526, other receivable comprising GST recoverable of $1,887 and its mineral property holding which is valued at $109,871. As of April 30, 2017, the Company had a working capital deficit of $221,008.

Financings and share issuances which occurred prior to the IPO noted above were as follows:

a) On December 22, 2014 the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at $0.02 per share on April 30, 2014 for aggregate proceeds of $131,600 pursuant to a non-brokered private placement.

## CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at $109,871 at April 30, 2017. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at April 30, 2017.

## OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As of April 30, 2017, accounts payable and accrued liabilities includes $Nil (April 30, 2016 - $618) for expenses incurred by the President on behalf of the Company, $14,400 (April 30, 2016 - $Nil) for management fees charged by the President $Nil (April 30, 2016 - $3,000) for management fees charged by a director, and $20,265 (April 30, 2016 - $18,175) for services rendered to the Company a company controlled by an officer of the Company.

During the year ended April 30, 2017 and 2016, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

d) Paid or accrued management fees of $36,000 (2016 - $36,000) to the Company President, David Ryan.

e) Paid or accrued management fees of $Nil (2016 - $9,000) to Bernie Hoing, a Director.

f) Paid or accrued consulting fees of $900 (2016 - $Nil) to Stephen Ryan, a relative of the Company President, David Ryan.

d) Paid or accrued professional fees of $21,700 (2016 - $22,000) to a company controlled by Matthew Wright, the Company CFO.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at April 30, 2017, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, interest payable and notes payable.

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

c) Credit Risk

The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

c) Market Risk

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and short-term investment is limited because the majority of the Company's cash and short-term investment balances are held by a Canadian chartered bank and the convertible notes payable are subject to a fixed interest rate.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 58 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at April 30, 2017, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

## SUBSEQUENT EVENTS

Subsequent to the year end:

a) On July 21, 2017, the Company issued a promissory note in the amount of $10,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on July 21 of each year. The note is repayable upon demand.

b) On August 21, 2017, the Company issued a promissory note in the amount of $31,834 (US$23,000). The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 21 of each year. The note is repayable upon demand

## OTHER INFORMATION

### Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

*Common Shares*

| | Number of Shares |
|---|---|
| Authorized | |
| Unlimited common shares, without par value | |
| Issued | |
| Balance at April 30, 2017 and August 18, 2017 | 14,561,935 |

*Agents Options*

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| **205,780** | $0.10 | August 4, 2018 |

*Stock Options*

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

*Shares held in Escrow*

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

As the Company anticipates being an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

In April 2017, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow agreement, were exercised by the President of the Company. As such 187,500 were released immediately and the remaining amount was released on the anniversary of the Listing Date. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at August 24, 2017, 1,065,001 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

There are no other potential share issuance obligations outstanding as of August 24, 2017.

## INVESTOR RELATIONS CONTRACT

None

## CONTRACTUAL OBLIGATIONS

None

## RISKS AND UNCERTAINTIES

### Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

### History of Losses

The Company has incurred net losses every period since inception and as of April 30, 2017, had an accumulated deficit of $558,799

### No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

### Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

### Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

### Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

## Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

## MD&A PREPARATION

This MD&A was prepared as of August 24, 2017. This MD&A should be read in conjunction the audited financial statements for the year ended April 30, 2017. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.SEDAR.com.

# APPENDIX C

# MIDNIGHT STAR VENTURES CORP.

## Management's Discussion and Analysis

### For the Year Ended

### April 30, 2016

## INTRODUCTION

The following discussion and analysis, prepared as of August 18, 2016 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended April 30, 2016, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under RISK AND UNCERTAINTIES in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

As at April 30, 2016, the Company held cash of $26,518 compared to $25,996 at April 30, 2015.

Amounts capitalized into exploration and evaluation assets at April 30, 2016 totaled $84,126 and the amount at April 30, 2015 amounted to $41,512.

As of April 30, 2016, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers about 1120 acres (453 hectares).

## SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2016, April 30, 2015, and April 30, 2014

| | | Year Ended April 30 2016 | | Year Ended April 30 2015 | | Year Ended April 30 2014 |
|---|---|---|---|---|---|---|
| Total revenue | $ | - | $ | - | $ | - |
| Net loss for the year | $ | (162,710) | $ | (241,702) | $ | (77,414) |
| Basic and diluted loss per share | $ | | $ | | $ | |
| Total Assets | $ | 115,066 | $ | 100,851 | $ | 64,159 |
| Total Liabilities | $ | 89,693 | $ | 75,681 | $ | 9,344 |
| Cash Dividends per share | $ | - | $ | - | $ | - |

## RESULTS OF OPERATIONS FOR THE YEAR ENDED JANUARY 31, 2016

| | | YEARS ENDED JANUARY 31 2016 | | 2015 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Bank charges and interest | **$** | **654** | $ | 413 |
| Communications | | **3,419** | | 1,946 |
| Consulting | | **2,100** | | 6,000 |
| Depreciation | | **660** | | 329 |
| Interest on notes and convertible notes payable | | **2,044** | | 1,910 |
| Management fees | | **45,000** | | 54,000 |
| Office and miscellaneous | | **2,623** | | 2,955 |
| Professional fees | | **57,459** | | 62,495 |
| Promotion | | **10,563** | | 11,193 |
| Regulatory and filing fees | | **24,581** | | 6,803 |
| Rent | | **12,000** | | 2,500 |
| Share-based payments | | **-** | | 89,100 |
| Travel | | **1,607** | | 2,058 |
| | | **162,710** | | 241,702 |
| *Net Loss and Comprehensive Loss for the Period* | **$** | **(162,710)** | $ | (241,702) |
| *Loss Per Share, Basic and diluted* | **$** | **(0.02)** | $ | (0.03) |
| *Weighted Average Number of Shares Outstanding* | | **13,757,692** | | 9,720,010 |

The Company incurred a net loss and comprehensive loss of $162,710 during the year ended April 30, 2016, compared to a net loss and comprehensive loss of $241,702 for comparative year ended April 30, 2015.

The most significant differences in expenses incurred in the year ended April 30, 2016 and 2015 are discussed below:

Consulting fees decreased to $2,100 (2015 - $6,000), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year.

Management fees decreased to $45,000 (2015 - $54,000) as the fees paid to the president were reduced from $4,000 to $3,000 per month in March 2015. The Company also in December 2014 commenced paying a $1,000 per month director's fee to Bernie Hoing. The arrangement with Bernie Hoing ceased in January 2016.

Office and miscellaneous fees decreased to $2,623 (2015 - $2,955) as a result of reduced corporate activity during the year.

Professional fees decreased to $57,459 (2015 - $62,495). Additional legal fees were incurred in respect of the initial public offering in the current period, however ongoing legal and accounting fees decreased subsequent to the IPO.

Regulatory and filing fees increased to $24,581 (2015 - $6,803) as a direct result of the Company acquiring its listing on the CSE.

Rent increased to $12,000 (2015 - $2,500) as the Company has entered into a monthly rental arrangement for office space in Vancouver BC. The rental paid is $1,000 per month.

Share – based payments expense reduced to $nil (2015 - $89,100) The charge in the prior year related to the recording of the estimated fair value, computed using the Black-Scholes pricing model, of changes in terms of warrants issued to the Company President.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the year ended April 30, 2016, the Company incurred $42,614 of exploration or evaluation expenditures on the Fish Property.

<u>The Fish Property</u>

The Fish Project is owned by Claremont Nevada Mines LLC. On August 28, 2013, the Company entered into an earn in agreement with Pengram Corporation (the "Optionor") whereby the Optionor agreed to assign the Company 80% of its option to acquire a 100% interest in the Fish Project pursuant to an option agreement between the Optionor and Claremont Nevada Mines LLC dated March 31, 2011, as amended on August 28, 2013.

The agreement provides that the Company can acquire an 80% interest in the claims by making staged advance royalty payments as follows:

i) Cdn$2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) Cdn$2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) Cdn$9,866 (US$7,500) on or before August 28, 2015 (paid)
iv) Cdn$12,548 (US$10,000) on or before August 28, 2016;
v) Cdn$15,685 (US$12,500) on or before August 28, 2017;
iv) Cdn$18,822 (US$15,000) on or before August 28, 2018.

In the event that the underlying option is extended, the Company will make an advance royalty payment of $18,822 (US$15,000) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2016, the Company paid the advance royalty payment of $9,866 (US$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating $32,748 (US$24,772).

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

*Discussion of the Fish Property*

Compete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

*Continued Exploration and Development*

The Company commissioned its own NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014 which was filed on SEDAR on February 25, 2015. This report recommended a two phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consists of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. Phase 1 to date has cost $32,748 (US$24,772) against a budgeted cost of approximately US$20,600. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately $107,000.

### Summary of Quarterly Results

The following is a summary of the Company's quarterly results for the period from May 1, 2014 to April 30, 2016 reported in Canadian currency.

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | **APRIL 30, 2016** | **JANUARY 31, 2016** | **OCTOBER 31, 2015** | **JULY 31, 2015** |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (40,739) | $ (27,487) | $ (57,812) | $ (36,672) |
| Net income (loss) for the period | $ (40,739) | $ (27,487) | $ (57,812) | $ (36,672) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | APRIL 30, 2015 | JANUARY 31, 2015 | OCTOBER 31, 2014 | JULY 31, 2014 |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (52,448) | $ (100,701) | $ (66,039) | $ (22,514) |
| Net income (loss) for the period | $ (52,448) | $ (100,701) | $ (66,039) | $ (22,514) |
| Basic income (loss) per share | $ (0.00) | $ (0.02) | $ (0.00) | $ (0.00) |

The Company reported a net loss of $40,739 for the three month period ended April 30, 2016 compared to $52,448 for the comparable three month period ended April 30, 2015. The basic loss per share for the three month period ended April 30, 2016 was ($0.00) versus ($0.00) for the comparable period of 2015.

## RESULTS OF OPERATIONS FOR THE THREE MONTH PEROD ENDED APRIL 30, 2016

| | THREE MONTHS ENDED APRIL 30, | | | |
|---|---|---|---|---|
| | | **2016** | | 2015 |
| **Expenses** | | | | |
| Bank charges and interest | $ | **85** | $ | 104 |
| Communications | | **980** | | 537 |
| Consulting | | **900** | | - |
| Depreciation | | **165** | | 165 |
| Interest on notes and convertible notes payable | | **532** | | 203 |
| Management fees | | **9,000** | | 13,000 |
| Office and miscellaneous | | **158** | | 490 |
| Professional fees | | **19,229** | | 26,216 |
| Promotion | | **1,974** | | 2,084 |
| Regulatory and filing fees | | **4,267** | | - |
| Rent | | **3,000** | | 2,500 |
| Travel | | **449** | | 346 |
| | | **40,739** | | 52,448 |
| *Net Loss and Comprehensive Loss for the Period* | $ | **(40,739)** | $ | (52,448) |
| *Loss Per Share, Basic and diluted* | $ | **(0.00)** | $ | (0.00) |
| *Weighted Average Number of Shares Outstanding* | | **14,335,418** | | 12,164,135 |

The Company incurred a net loss and comprehensive loss of $40,739 during the three month period ended April 30, 2016, compared to a net loss and comprehensive loss of $52,448 for comparative three month period ended April 30, 2015.

The most significant differences in expenses incurred in the three month periods ended April 30, 2015 and 2015 are discussed below:

Consulting fees increased to $900 (2015 - $537), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year, and the appointment of a new consultant during the year.

Management fees decreased to $9,000 (2015 - $13,000) a result of the Presidents monthly fee being reduced subsequent to the Company acquiring its listing on the CSE.

Professional fees decreased to $19,229 (2015 - $26,216) due to legal being incurred the prior period in respect of the initial public offering which completed prior to the current three month period.

Regulatory and filing fees increased to $4,267 (2015 - $nil) as a direct result of the Company acquiring its listing on the CSE.

Rent increased to $3,000 (2015 - $2,500) as the Company has entered into a monthly rental arrangement for office space in Vancouver BC. The rental paid is $1,000 per month.

All other expenses were generally consistent with the amounts incurred in the comparative period.

**LIQUIDITY**

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At April 30, 2016 the Company held cash of $26,518, (April 30, 2015 - $25,996), had amounts recoverable, consisting of Goods and services tax recoverable of $1,752 (April 30, 2015 – $4,702) and had prepaid expenses of $1689 (2015 - $nil). The Company had current liabilities of $89,693 (April 30, 2015 - $55,681). At April 30, 2016, the Company's working capital deficiency was $59,734 (April 30, 2015 – working capital of $2,017).

On June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

On April 4, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on April 4 of each year. The note has is repayable upon demand.

On March 24, 2015, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on March 15, of each year. The note has a repayment date of June 30, 2017.

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of $12,000, which on April 25, 2016 was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options. Each Agents Option is exercisable at $0.10 into one Common share of the Company until August 4, 2018. Shares issuance costs aggregating $54,867 were incurred. These costs included a corporate finance fee of $15,000 paid to the agent and other expenses aggregating $39,867. As at April 30, 2015, the Company had advanced the agent $12,000 towards expenses and paid the corporate finance fee of $15,000. These two amounts aggregating $27,000 were recorded as deferred financing costs at April 30, 2015.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding, or seek joint venture partners on its project. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at April 30, 2016, the primary assets of the Company comprise cash of $26,518, other receivable comprising GST recoverable of $1,752, prepaid expenses of $1,689 and its mineral property holding which is valued at $84,126. As of April 30, 2016, the Company had a working capital deficit of $59,734.

Financings and share issuances which occurred prior to the IPO noted above were as follows:

a) On December 22, 2014 the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at $0.02 per share on April 30, 2014 for aggregate proceeds of $131,600 pursuant to a non-brokered private placement.

## CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at $84,126 at April 30, 2016. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at April 30, 2016.

## OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As of April 30, 2016, accounts payable and accrued liabilities includes $618 (April 30, 2015 - $1,663) for expenses incurred by the President on behalf of the Company, $3,000 (April 30, 2015 - $2,000) for management fees charged by a director, and $18,175 (April 30, 2015 - $19,200) for services rendered to the Company a company controlled by an officer of the Company.

During the year ended April 30, 2016 and 2015, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

g) Paid or accrued management fees of $36,000 (2015 - $49,000) to the Company President, David Ryan.

h) Paid or accrued management fees of $9,000 (2015 - $5,000) to Bernie Hoing, a Director.

i) Paid or accrued management fees of $nil (2015 - $6,000) in aggregate to Greg Hoing or a Company controlled by Greg Hoing, a Director.

d) Paid or accrued professional fees of $22,000 (2015 - $21,500) to a company controlled by Matthew Wright, the Company CFO.

e) Recorded share-based payments expense of $nil (2015 – $89,100) as a result of the changing of terms on certain warrants held by the Company President, David Ryan.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at April 30, 2016, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, interest payable and notes payable.

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

e) Credit Risk

The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

f) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2016, the Company held cash of $26,518 (April 30, 2015 - $25,996) and had current liabilities of $89,693 (July 31, 2015 - $55,681). All of the Company's current liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market Risk

iii) Interest Rate Risk

The Company has cash balances, and three notes payable each with a face value of $20,000. The notes are unsecured and bear interest at 10% per annum which is to be paid annually on the anniversary of the notes.. One note for $20,000 had a repayment date of June 30, 2016, which has been renegotiated to June 30, 2017. The remaining two notes are repayable upon demand. As at April 30, 2016, accrued interest on the notes outstanding totalled $2,247

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar. The earn in agreement to acquire the Fish property is denominated in US dollars. Accordingly the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes.

As at April 30, 2016, the Company held no significant financial assets or liabilities which were denominated in currencies other than the Canadian dollar.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

## SUBSEQUENT EVENTS

Subsequent to the year end, on June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

## OTHER INFORMATION

### Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

*Common Shares*

| | Number of Shares |
|---|---|
| Authorized | |
| Unlimited common shares, without par value | |
| Issued | |
| Balance at April 30, 2016 and August 18, 2016 | 14,561,935 |

*Agents Options*

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| **205,780** | $0.10 | August 4, 2018 |

*Stock Options*

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

*Shares held in Escrow*

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

As the Company anticipates being an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

In April 2016, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow agreement, were exercised by the President of the Company. As such 187,500 were released immediately and the remaining amount was released on the anniversary of the Listing Date. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at August 18, 2016, 2,182,501 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

There are no other potential share issuance obligations outstanding as of August 18, 2016.

## INVESTOR RELATIONS CONTRACT

None

## CONTRACTUAL OBLIGATIONS

None

## RISKS AND UNCERTAINTIES

### Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

## History of Losses

The Company has incurred net losses every period since inception and as of April 30, 2016, had an accumulated deficit of $442,610

## No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

## Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

## Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

## Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

## Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

## MD&A PREPARATION

This MD&A was prepared as of August 18, 2016. This MD&A should be read in conjunction the audited financial statements for the year ended April 30, 2016. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.sedar.com.

# APPENDIX A

# MIDNIGHT STAR VENTURES CORP.

## Management's Discussion and Analysis

### For the Year Ended

### April 30, 2018

## INTRODUCTION

The following discussion and analysis, prepared as of June 25, 2018 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended April 30, 2018, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under RISK AND UNCERTAINTIES in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV".

As at April 30, 2018, the Company held cash of $357,328 compared to $2,526 at April 30, 2017.

Amounts capitalized into exploration and evaluation assets at April 30, 2018 totaled $137,486 and the amount at April 30, 2017 amounted to $109,871.

As of April 30, 2018, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers about 1120 acres (453 hectares).

## SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2018, 2017, 2016 and 2015:

| | Year Ended April 30 2018 | Year Ended April 30 2017 | Year Ended April 30 2016 | Year Ended April 30 2015 |
|---|---|---|---|---|
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss for the year | $ (210,435) | $ (136,189) | $ (162,710) | $ (241,702) |
| Basic and diluted loss per share | $ | $ | $ | $ |
| Total Assets | $ 498,514 | $ 114,605 | $ 115,066 | $ 100,851 |
| Total Liabilities | $ 45,762 | $ 225,421 | $ 89,693 | $ 75,681 |
| Cash Dividends per share | $ - | $ - | $ - | $ - |

## RESULTS OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2018

| | | YEARS ENDED APRIL 30 **2018** | | 2017 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Communications | **$** | **2,060** | $ | 1,669 |
| Consulting | | **-** | | 900 |
| Depreciation | | **321** | | 660 |
| Interest on notes payable | | **5,075** | | 8,324 |
| Management fees | | **36,000** | | 36,000 |
| Office and miscellaneous | | **514** | | 2,959 |
| Professional fees | | **141,400** | | 56,227 |
| Promotion | | **-** | | 4,470 |
| Regulatory and filing fees | | **14,242** | | 12,323 |
| Rent | | **12,000** | | 12,000 |
| Travel | | **-** | | 657 |
| | | **211,612** | | 136,189 |
| *Net loss before other item* | | **(211,612)** | | (136,189) |
| *Gain on settlement of notes payable* | | **1,177** | | - |
| *Net Loss and Comprehensive Loss for the Year* | **$** | **(210,435)** | $ | (136,189) |
| *Loss Per Share, Basic and Diluted* | **$** | **(0.01)** | $ | (0.01) |
| *Weighted Average Number of Shares Outstanding* | | **20,246,547** | | 14,561,935 |

The Company incurred a net loss and comprehensive loss of $210,435 during the year ended April 30, 2018, compared to a net loss and comprehensive loss of $136,189 for comparative year ended April 30, 2017.

The most significant differences in expenses incurred in the year ended April 30, 2018 and 2017 are discussed below:

Communication costs increased to $2,060 (2017 – $1,669) as a result of increased communications activity.

Consulting fees decreased to $Nil (2017 - $900), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year.

Interest on notes payable decreased to $5,075 (2017 - $8,324) a result of the settlement of the notes during the current year for cash and common shares, thereby reducing the interest charges incurred.

Office expenses decreased to $514 (2017 - $2,959) as a result of less corporate activity.

Professional fees increased to $141,400 (2017 - $56,227) a result of the company incurring non-routine legal fees, pursuant to the reverse takeover transaction (see Proposed Transaction) and financing undertaken during the year.

Promotion decreased to $Nil (2017 - $4,470) a result of fewer promotional activities by management.

Regulatory and filing fees increased to $14,242 (2017 - $12,323) as result of the Company undertaking the private placement during the year.

Gain on settlement of notes payable increased to $1,177 (2017 - $Nil) a result of the settlement of the notes payable by issuance of common shares and cash payment.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the year ended April 30, 2018, the Company incurred $27,615 (2017 - $25,745) of exploration or evaluation expenditures on the Fish Property.

<u>The Fish Property</u>

The Fish Project is owned by Claremont Nevada Mines LLC. Midnight Star entered into a new option agreement dated August 28, 2016 (the “New Agreement”) with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation, under the terms of which Midnight Star had the option to acquire up to an 80% interest in the Fish Project.

The New Agreement provides that the Company can acquire a 100% interest in the claims by making staged advance royalty payments as follows:

i) Cdn$2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) Cdn$2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) Cdn$9,866 (US$7,500) on or before August 28, 2015 (paid);
iv) Cdn $2,623 (US$2,000) on or before August 28, 2016 (paid);
iv) Cdn$10,660 (US$8,000) on or before October 12, 2016 (paid);
v) Cdn$15,600 (US$12,500) on or before August 28, 2017 (paid);
iv) Cdn$19,260 (US$15,000) on or before August 28, 2018.

In addition to the advanced royalty payments, the Company must deliver $1,000 and either a copy of a mine plan or final feasibility study on or before August 28, 2018. If the Company cannot meet these requirements, the option may be extended for an additional five years. If the option is extended, the Company will be required make an advance royalty payment of $16,050 (US$12,500) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2018, the Company incurred $15,600 (US$10,000) in advance royalty payments and $12,015 (US$10,485) of claim maintenance fees on the Fish Property.

During the year ended April 30, 2017, the Company incurred $13,283 (US$10,000) in advance royalty payments and $11,588 (US$8,835) of claim maintenance fees on the Fish Property. The Company also made exploration advances of $874 (US$672).

During the year ended April 30, 2016, the Company paid the advance royalty payment of $9,866 (US$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating $32,748 (US$24,772).

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

*Discussion of the Fish Property*

Compete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

*Continued Exploration and Development*

The Company commissioned its own NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014 which was filed on SEDAR on February 25, 2015. This report recommended a two phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consisted of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight

Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately $107,000.

**Summary of Quarterly Results**

The following is a summary of the Company's quarterly results for the period from May 1, 2016 to April 30, 2018 reported in Canadian currency.

| | QUARTER ENDED | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **APRIL 30, 2018** | | **JANUARY 31, 2018** | | **OCTOBER 31, 2017** | | **JULY 31, 2017** | |
| Total revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss before income taxes | $ | (85,929) | $ | (40,118) | | (46,779) | $ | (37,609) |
| Net income (loss) for the period | $ | (85,929) | $ | (40,118) | | (46,779) | $ | (37,609) |
| Basic income (loss) per share | $ | (0.00) | $ | (0.00) | | (0.00) | $ | (0.00) |

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | APRIL 30, 2017 | JANUARY 31, 2017 | OCTOBER 31, 2016 | JULY 31, 2016 |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (45,469) | $ (24,004) | $ (36,427) | $ (30,289) |
| Net income (loss) for the period | $ (45,469) | $ (24,004) | $ (36,427) | $ (30,289) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

The Company reported a net loss of $85,929 for the three month period ended April 30, 2018 compared to $45,469 for the comparable three month period ended April 30, 2017. The basic loss per share for the three month period ended April 30, 2018 was ($0.00) versus ($0.00) for the comparable period of 2017.

**RESULTS OF OPERATIONS FOR THE THREE MONTH PEROD ENDED APRIL 30, 2018**

| | | THREE MONTHS ENDED APRIL 30, 2018 | | 2017 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Communications | | **534** | | 165 |
| Depreciation | | **-** | | 165 |
| Interest on notes payable | | **153** | | 2,680 |
| Management fees | | **9,000** | | 9,000 |
| Office and miscellaneous | | **58** | | 459 |
| Professional fees | | **67,666** | | 27,320 |
| Promotion | | **-** | | 612 |
| Regulatory and filing fees | | **5,518** | | 2,005 |
| Rent | | **3,000** | | 3,000 |
| Travel | | **-** | | 63 |
| | | **85,929** | | 45,469 |
| *Net Loss and Comprehensive Loss for the Period* | **$** | **(85,929)** | $ | (45,469) |
| *Loss Per Share, Basic and diluted* | **$** | **(0.00)** | $ | (0.00) |
| *Weighted Average Number of Shares Outstanding* | | **26,643,768** | | 14,561,935 |

The Company incurred a net loss and comprehensive loss of $85,929 during the three month period ended April 30, 2018, compared to a net loss and comprehensive loss of $45,469 for comparative three month period ended April 30, 2017.

The most significant differences in expenses incurred in the three month periods ended April 30, 2018 and 2017 are discussed below:

Interest on notes payable decreased to $153 (2017 - $2,680) as result of the settlement of notes payable in prior quarters.

Professional fees increased to $67,666 (2017 - $27,320) due to increased non-routine legal services received during the quarter.

Promotion decreased to $Nil (2017 - $612) as a result of decreased promotional activity by management.

Regulatory and filing fees increased to $5,518 (2017 - $2,005), as a result of increased transaction costs being incurred during the period.

All other expenses were generally consistent with the amounts incurred in the comparative period.

## LIQUIDITY AND CAPITAL RESOURCES

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At April 30, 2018 the Company held cash of $357,328, (2017 - $2,526), had amounts recoverable, consisting of Goods and services tax recoverable of $3,700 (2017 – $1,887). The Company had current liabilities of $45,762 (2017 - $225,421). At April 30, 2018, the Company's working capital was $315,266 (2017 – working capital deficiency of $221,008).

During the year ended April 30, 2018, the Company completed a Private Placement Offering and issued 8,500,000 common shares at a price of $0.0675 per Share for total proceeds of $573,750. Pursuant to the financing the Company paid commissions or finders fees to registered brokers of $44,181. The proceeds of the offering will be used for working capital purposes.

During the year ended April 30, 2018, 81,841 Agents Options were exercised at a price of $0.10 for gross proceeds of $8,184.

Pursuant to settlement agreements entered into on September 13, 2017 and September 27, 2017, to settle notes payable and accrued interest aggregating $183,487 and accounts payable and accrued liabilities of $61,718 the Company issued 3,499,992 common shares with a deemed price of $0.0675 and made a cash payment of $7,778.

On March 28, 2018, the Company settled a note payable with a face value of $10,000 by cash settlement of $10,685 including $685 of accrued interest.

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of $12,000, which on April 25, 2016, was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the 2016 fiscal year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding or seek joint venture partners on its project. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at April 30, 2018, the primary assets of the Company comprise cash of $357,328, other receivable comprising GST recoverable of $3,700 and its mineral property holding which is valued at $137,486. As of April 30, 2018, the Company had a working capital of $315,266.

Financings and share issuances which occurred prior to the IPO and the financing noted above were as follows:

a) On December 22, 2014, the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at $0.02 per share on April 30, 2014 for aggregate proceeds of $131,600 pursuant to a non-brokered private placement.

## CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at $137,486 at April 30, 2018. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at April 30, 2018.

## OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at April 30, 2018, accounts payable and accrued liabilities include $3,150 (2017 - $Nil) for management fees charged by a company controlled by the President, $Nil (2017 - $14,400) for management fees charged directly by the Company President, $Nil (2017 - $618) for expenses incurred by the President on behalf of the Company, and $4,000 (2017 - $20,265) for services rendered to the Company by a company controlled by an officer of the Company.

During the years ended April 30, 2018 and 2017, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

a) Paid or accrued management fees of $18,000 (2017 - $36,000) to the Company President, David Ryan.

b) Paid or accrued management fees of $18,000 (2017 - $Nil) to a Company controlled by the Company President.

c) Paid or accrued consulting fees of $Nil (2017 - $900) to Stephen Ryan, a relative of the Company President, David Ryan.

d) Paid or accrued professional fees of $23,500 (2017 - $21,700) to a company controlled by Matthew Wright, the Company CFO.

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

As at April 30, 2018, the Company's financial instruments consist of cash, and accounts payable and accrued liabilities,

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

c) Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and short-term investment is limited because the majority of the Company's cash and short-term investment balances are held by a Canadian chartered bank and the convertible notes payable are subject to a fixed interest rate.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 56 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at April 30, 2018, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

**PROPOSED TRANSACTION**

On April 19, 2018, the Company entered into a Share Purchase Agreement (the “SPA”) with Bio Harvest Ltd. (“Bio Harvest”) whereby, subject to shareholder and regulatory approval, the Company will acquire a 100% interest in Dolarin Ltd. (“Dolarin”), a controlled subsidiary of Bio Harvest (the “Transaction”).

Pursuant to the SPA the Company will issue common shares to Bio Harvest equal to 50% of the issued and outstanding share capital of the Company immediately following the closing of the SPA ). As a result of the SPA, the Company will become the sole shareholder of Dolarin, and Bio Harvest will control the Company. The completion of this Transaction will constitute a Reverse Takeover of the Company by Bio Harvest.

As a condition of the Transaction a Financing will be conducted by the Company to raise a minimum of $3,250,000 by issuing up to 22,000,000 Units at a subscription price of $0.15 per

Unit (the "Financing"). Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant is exercisable into one common share of the Issuer at an exercise price of $0.23 for a period of 24 months following the closing of the Transaction. Agents were retained for the Financing. The agents will receive a cash commission of 5% of the gross proceeds and broker's warrants equivalent to 5% of the number of Units issued. Each broker's warrant is exercisable into one common share of the Company at $0.23 for a period of 24 months following closing.

As compensation for brokering the transaction, the Company will pay $109,395 (US$85,000) and issue common shares equivalent to 3% of the number of shares issued to Bio Harvest to an unrelated 3rd party.

The Transaction also provides for the Company to adopt a Stock Option plan whereby Employee Stock Option Plan ("ESOP") shares shall constitute 10% of the issued and outstanding share capital of the Company. Such stock options shall be granted immediately upon closing and vest over a 2-year period on a quarterly basis to employees of Dolarin.

On April 19, 2018, Bio Harvest and Dolarin entered into a Licence Agreement, which has an effective date of the closing of the Transaction. Pursuant to the licence agreement Dolarin shall acquire certain worldwide, non-transferable, royalty bearing licences in perpetuity from Bio Harvest for the use of Bio Harvest's biotechnology for the production and sale of cannabis products for the medical and recreational markets.

Dolarin shall acquire the licences for the following consideration:

a) The issuance of 900,000 common shares of Dolarin to Bio Harvest.
b) The payment of $205,920 (US$160,000) in 16 equal monthly payments of $12,870 (US$10,000) commencing on the effective date.
c) The payment to Bio Harvest of a milestone payment comprising $1,081,080 (US$840,000) upon the commencement of construction of the first manufacturing facility for relevant licensed product.

On April 19, 2018, Bio Harvest and Dolarin also entered into a Services Agreement with an effective date of the closing of the Transaction. Pursuant to the Servicing Agreement Dolarin will contract Bio Harvest to perform certain limited research, development and commercialisation of Bio Harvest's technology for the field of cannabis including the equipment, materials, facilities and personnel. The initial period of the agreement shall be for 16 months, from closing of the Transaction at a budgeted cost of $1,979,406 (US$1,538,000). Further expenditures may be required if the objectives of the research are not met during the initial period.

Subsequent to year-end, the Company made a payment to Bio Harvest of $129,436 (US$ - 100,105) as an advance relating to the proposed transaction.

Under the terms of the Transaction the board of directors of Midnight Star will consist of six persons with half the Board to be nominated by Bio Harvest. The following persons have been nominated by Bio Harvest:

Dr. Zaki Rakib, Ph.D., serves as the Co-Founder and Executive Chairman of Bio Harvest. He has extensive experience within the software, telecommunications hardware, semiconductors, cellular operations and bioscience categories, where he has spearheaded the development of multiple cutting-edge innovations. Leveraging his foundation in technical sciences, Dr. Rakib was one of the first leaders in the telecommunications industry. He co-founded Terayon Communication Systems, invented the first cable modem, and S-CDMA technology. Dr. Rakib holds Bachelor of Science, Master of Science, and Ph.D. degrees in Engineering from BenGurion University in Israel.

Mrs Vivien Rakib holds a B.Sc in Math and computer science. She had extensive experience in Software development for fortune 100 companies primarily in Silicon Valley California including Sun Microsystems and Phillips semiconductors. Mrs. Rakib is an investor in high-tech and in biotech. Most noteworthy are Shaker (where she also served as a board member) who was acquired by Play-Studios and Bio Harvest where she is currently the largest shareholder and a board member. Mrs Rakib also serves on the board of 2 NGO's.

Initially at closing, the capacity of the Board is four members and the above two persons will be appointed with a third member to be appointed at the next general meeting of Midnight Star after the board capacity is increased to six members. In addition, Midnight Star will appoint Liron Carmel as a director Midnight Star. Mr. Carmel is a businessman based in Israel with experience in management of technology companies. He is currently the Chairman of Smart Energy Solutions Inc. and is a former Chairman of Emerald Medical Applications Corp. It is anticipated the current directors Shane Epp and Bernie Hoing will resign to make room for the appointments. David Ryan will continue as a director of Midnight Star. In addition, Mr. Epp and Mr. Ryan will transfer a total of 525,000 escrowed shares of Midnight Star to Mr. Carmel for nominal consideration of $0.01 per share.

## OTHER INFORMATION

### Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

*Common Shares*

| | Number of Shares |
|---|---|
| Authorized | |
| Unlimited common shares, without par value | |
| Issued | |
| Balance at April 30, 2018 and June 25, 2018 | 26,643,768 |

*Agents Options*

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| **123,939** | $0.10 | August 4, 2018 |

*Stock Options*

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

*Shares held in Escrow*

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

As the Company anticipates being an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

In April 2017, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow agreement, were exercised by the President of the Company. As such 187,500 were released immediately and the remaining amount was released on the anniversary of the Listing Date. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at June 23, 2018, 532,501 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

Except for the proposed transaction there are no other potential share issuance obligations outstanding as of June 23, 2018.

## INVESTOR RELATIONS CONTRACT

None

## CONTRACTUAL OBLIGATIONS

None

## RISKS AND UNCERTAINTIES

### Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

### History of Losses

The Company has incurred net losses every period since inception and as of April 30, 2018, had an accumulated deficit of $769,234

### No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

### Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

### Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

### Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

**Dependence on Key Personnel**

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

## MD&A PREPARATION

This MD&A was prepared as of June 25, 2018. This MD&A should be read in conjunction the audited financial statements for the year ended April 30, 2018. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.SEDAR.com.

# APPENDIX B

# MIDNIGHT STAR VENTURES CORP.

## Management's Discussion and Analysis

### For the Year Ended

### April 30, 2017

## INTRODUCTION

The following discussion and analysis, prepared as of August 24, 2017 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended April 30, 2017, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under RISK AND UNCERTAINTIES in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

As at April 30, 2017, the Company held cash of $2,526 compared to $26,518 at April 30, 2016.

Amounts capitalized into exploration and evaluation assets at April 30, 2017 totaled $109,871 and the amount at April 30, 2016 amounted to $84,126.

As of April 30, 2017, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers about 1120 acres (453 hectares).

## SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2017, 2016, 2015 and 2014:

| | | **Year Ended April 30 2017** | | **Year Ended April 30 2016** | | **Year Ended April 30 2015** | | **Year Ended April 30 2014** |
|---|---|---|---|---|---|---|---|---|
| Total revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss for the year | $ | (136,189) | $ | (162,710) | $ | (241,702) | $ | (77,414) |
| Basic and diluted loss per share | $ | | $ | | $ | | $ | |
| Total Assets | $ | 114,605 | $ | 115,066 | $ | 100,851 | $ | 64,159 |
| Total Liabilities | $ | 225,421 | $ | 89,693 | $ | 75,681 | $ | 9,344 |
| Cash Dividends per share | $ | - | $ | - | $ | - | $ | - |

## RESULTS OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2017

| | | YEARS ENDED APRIL 30 2017 | | 2016 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Bank charges and interest | **$** | **595** | $ | 654 |
| Communications | | **1,669** | | 3,419 |
| Consulting | | **900** | | 2,100 |
| Depreciation | | **660** | | 660 |
| Interest on notes payable | | **8,324** | | 2,044 |
| Management fees | | **36,000** | | 45,000 |
| Office and miscellaneous | | **2,364** | | 2,623 |
| Professional fees | | **56,227** | | 57,459 |
| Promotion | | **4,470** | | 10,563 |
| Regulatory and filing fees | | **12,323** | | 24,581 |
| Rent | | **12,000** | | 12,000 |
| Share-based payments | | **-** | | - |
| Travel | | **657** | | 1,607 |
| | | **136,189** | | 162,710 |
| *Net Loss and Comprehensive Loss for the Year* | **$** | **(136,189)** | $ | (162,710) |
| *Loss Per Share, Basic and Diluted* | **$** | **(0.01)** | $ | (0.02) |
| *Weighted Average Number of Shares Outstanding* | | **14,561,935** | | 13,757,692 |

The Company incurred a net loss and comprehensive loss of $136,189 during the year ended April 30, 2017, compared to a net loss and comprehensive loss of $162,710 for comparative year ended April 30, 2016.

The most significant differences in expenses incurred in the year ended April 30, 2017 and 2016 are discussed below:

Consulting fees decreased to $900 (2016 - $2,100), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year.

Communication costs decreased to $1,669 (2016 – $3,419) as a result of decreased telephone activity.

Interest on notes payable increased to $8,324 (2016 - $2,044) as a result of increases in notes outstanding.

Management fees decreased to $36,000 (2016 - $45,000) as the fees paid to the president were reduced from $4,000 to $3,000 per month in March 2015. The Company also in December 2014 commenced paying a $1,000 per month director's fee to Bernie Hoing. The arrangement with Bernie Hoing ceased in January 2016.

Promotion decreased to $4,470 (2016 - $10,563) as result of fewer promotional activities by management.

Regulatory and filing fees decreased to $12,323 (2016 - $24,581) as a direct result of the having fewer filing fees post IPO.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the year ended April 30, 2017, the Company incurred $25,745 of exploration or evaluation expenditures on the Fish Property.

The Fish Property

The Fish Project is owned by Claremont Nevada Mines LLC. Midnight Star entered into a new option agreement dated August 28, 2016 (the "New Agreement") with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation, under the terms of which Midnight Star had the option to acquire up to an 80% interest in the Fish Project.

The New Agreement provides that the Company can acquire a 100% interest in the claims by making staged advance royalty payments as follows:

i) Cdn$2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) Cdn$2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) Cdn$9,866 (US$7,500) on or before August 28, 2015 (paid)
iv) Cdn $2,623 (US$2,000) on or before August 28, 2016 (paid)
iv) Cdn$10,660 (US$8,000) on or before October 12, 2016 (paid)
v) Cdn$16,250 (US$12,500) on or before August 28, 2017;
iv) Cdn$19,500 (US$15,000) on or before August 28, 2018.

In addition to the advanced royalty payments, the Company must deliver $1,000 and either a copy of a mine plan or final feasibility study on or before August 28, 2018. If the Company cannot meet these requirements, the option may be extended for an additional five years. If the option is extended, the Company will be required make an advance royalty payment of $16,250 (US$12,500) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2017, the Company incurred $13,283 (US$10,000) in advance royalty payments and $11,588 (US$8,835) of claim maintenance fees on the Fish Property. The Company also made exploration advances of $874 (US$672).

During the year ended April 30, 2016, the Company paid the advance royalty payment of $9,866 (US$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating $32,748 (US$24,772).

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

*Discussion of the Fish Property*

Compete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

*Continued Exploration and Development*

The Company commissioned its own NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014 which was filed on SEDAR on February 25, 2015. This report recommended a two phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consisted of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. Phase 1 to date has cost $32,748 (US$24,772) against a budgeted cost of approximately US$20,600. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately $107,000.

### Summary of Quarterly Results

The following is a summary of the Company's quarterly results for the period from May 1, 2015 to April 30, 2017 reported in Canadian currency.

| | QUARTER ENDED | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | **APRIL 30, 2017** | | **JANUARY 31, 2017** | | **OCTOBER 31, 2016** | | **JULY 31, 2016** |
| Total revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss before income taxes | $ | (45,469) | $ | (24,004) | | (36,427) | $ | (30,289) |
| Net income (loss) for the period | $ | (45,469) | $ | (24,004) | | (36,427) | $ | (30,289) |
| Basic income (loss) per share | $ | (0.00) | $ | (0.00) | | (0.00) | $ | (0.00) |

| | QUARTER ENDED | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | APRIL 30, 2016 | | JANUARY 31, 2016 | | OCTOBER 31, 2015 | | JULY 31, 2015 |
| Total revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss before income taxes | $ | (40,739) | $ | (27,487) | $ | (57,812) | $ | (36,672) |
| Net income (loss) for the period | $ | (40,739) | $ | (27,487) | $ | (57,812) | $ | (36,672) |
| Basic income (loss) per share | $ | (0.00) | $ | (0.00) | $ | (0.00) | $ | (0.00) |

The Company reported a net loss of $45,469 for the three month period ended April 30, 2017 compared to $40,739 for the comparable three month period ended April 30, 2016. The basic loss per share for the three month period ended April 30, 2017 was ($0.00) versus ($0.00) for the comparable period of 2016.

## RESULTS OF OPERATIONS FOR THE THREE MONTH PEROD ENDED APRIL 30, 2017

| | THREE MONTHS ENDED APRIL 30, | | | |
|---|---|---|---|---|
| | | **2017** | | 2016 |
| **Expenses** | | | | |
| Bank charges and interest | **$** | **47** | $ | 85 |
| Communications | | **165** | | 980 |
| Depreciation | | **165** | | 165 |
| Interest on notes payable | | **2,680** | | 532 |
| Management fees | | **9,000** | | 9,000 |
| Office and miscellaneous | | **412** | | 158 |
| Professional fees | | **27,320** | | 19,229 |
| Promotion | | **612** | | 1,974 |
| Regulatory and filing fees | | **2,005** | | 4,267 |
| Rent | | **3,000** | | 3,000 |
| Travel | | **63** | | 449 |
| | | **45,469** | | 40,739 |
| *Net Loss and Comprehensive Loss for the Period* | **$** | **(45,469)** | $ | (40,739) |
| *Loss Per Share, Basic and diluted* | **$** | **(0.00)** | $ | (0.00) |
| *Weighted Average Number of Shares Outstanding* | | **14,561,935** | | 14,335,418 |

The Company incurred a net loss and comprehensive loss of $45,469 during the three month period ended April 30, 2017, compared to a net loss and comprehensive loss of $40,739 for comparative three month period ended April 30, 2016.

The most significant differences in expenses incurred in the three month periods ended April 30, 2017 and 2016 are discussed below:

Interest on notes payable increased to $2,680 (2016 - $532) as a result of increases in convertible notes outstanding.

Professional fees increased to $27,320 (2016 - $19,229) due to increased non-routine legal services requested during the quarter.

Promotion decreased to $612 (2016 - $1,974) as a result of decreased promotional activity by management.

Regulatory and filing fees decreased to $2,005 (2016 - $4,267) as a result of the Company switching to a lower cost transfer agent.

All other expenses were generally consistent with the amounts incurred in the comparative period.

## LIQUIDITY

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At April 30, 2017 the Company held cash of $2,526, (April 30, 2016 - $26,518), had amounts recoverable, consisting of Goods and services tax recoverable of $1,887 (April 30, 2016 – $1,752) and had prepaid expenses of $nil (2016 - $1,689). The Company had current liabilities of $225,421 (April 30, 2016 - $89,693). At April 30, 2017, the Company's working capital deficiency was $221,008 (April 30, 2016 – working capital deficiency of $59,734).

On August 21, 2017, the Company issued a promissory note in the amount of $31,384 (US$23,000). The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 21st of each year. The note is repayable on demand.

On July 21, 2017, the Company issued a promissory note in the amount of $10,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on July 21, of each year. The note is repayable upon demand.

On January 16, 2017, the Company issued a promissory note in the amount of $30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on January 16, of each year. The note is repayable upon demand.

On October 10, 2016, the Company issued a promissory note in the amount of $30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on October 10, of each year. The note is repayable upon demand

On August 23, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 23 of each year. The note is repayable upon demand.

On June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

On April 25, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on April 25 of each year. The note has is repayable upon demand.

On March 24, 2015, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on March 15, of each year. The note has is repayable upon demand..

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of $12,000, which on April 25, 2016, was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the 2015 fiscal year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding or seek joint venture partners on its project. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at April 30, 2017, the primary assets of the Company comprise cash of $2,526, other receivable comprising GST recoverable of $1,887 and its mineral property holding which is valued at $109,871. As of April 30, 2017, the Company had a working capital deficit of $221,008.

Financings and share issuances which occurred prior to the IPO noted above were as follows:

a) On December 22, 2014 the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at $0.02 per share on April 30, 2014 for aggregate proceeds of $131,600 pursuant to a non-brokered private placement.

## CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at $109,871 at April 30, 2017. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at April 30, 2017.

## OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As of April 30, 2017, accounts payable and accrued liabilities includes $Nil (April 30, 2016 - $618) for expenses incurred by the President on behalf of the Company, $14,400 (April 30, 2016 - $Nil) for management fees charged by the President $Nil (April 30, 2016 - $3,000) for management fees charged by a director, and $20,265 (April 30, 2016 - $18,175) for services rendered to the Company a company controlled by an officer of the Company.

During the year ended April 30, 2017 and 2016, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

d) Paid or accrued management fees of $36,000 (2016 - $36,000) to the Company President, David Ryan.

e) Paid or accrued management fees of $Nil (2016 - $9,000) to Bernie Hoing, a Director.

f) Paid or accrued consulting fees of $900 (2016 - $Nil) to Stephen Ryan, a relative of the Company President, David Ryan.

d) Paid or accrued professional fees of $21,700 (2016 - $22,000) to a company controlled by Matthew Wright, the Company CFO.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at April 30, 2017, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, interest payable and notes payable.

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

c) Credit Risk

The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

c) Market Risk

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and short-term investment is limited because the majority of the Company's cash and short-term investment balances are held by a Canadian chartered bank and the convertible notes payable are subject to a fixed interest rate.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 58 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at April 30, 2017, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

**SUBSEQUENT EVENTS**

Subsequent to the year end:

a) On July 21, 2017, the Company issued a promissory note in the amount of $10,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on July 21 of each year. The note is repayable upon demand.

b) On August 21, 2017, the Company issued a promissory note in the amount of $31,834 (US$23,000). The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 21 of each year. The note is repayable upon demand

**OTHER INFORMATION**

**Outstanding Share Data**

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

*Common Shares*

| | Number of Shares |
|---|---|
| Authorized | |
| Unlimited common shares, without par value | |
| Issued | |
| Balance at April 30, 2017 and August 18, 2017 | 14,561,935 |

*Agents Options*

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| **205,780** | $0.10 | August 4, 2018 |

*Stock Options*

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

*Shares held in Escrow*

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

As the Company anticipates being an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

In April 2017, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow agreement, were exercised by the President of the Company. As such 187,500 were released immediately and the remaining amount was released on the anniversary of the Listing Date. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at August 24, 2017, 1,065,001 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

There are no other potential share issuance obligations outstanding as of August 24, 2017.

## INVESTOR RELATIONS CONTRACT

None

## CONTRACTUAL OBLIGATIONS

None

## RISKS AND UNCERTAINTIES

### Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

### History of Losses

The Company has incurred net losses every period since inception and as of April 30, 2017, had an accumulated deficit of $558,799

### No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

### Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

### Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

### Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

**Dependence on Key Personnel**

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

## MD&A PREPARATION

This MD&A was prepared as of August 24, 2017. This MD&A should be read in conjunction the audited financial statements for the year ended April 30, 2017. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.SEDAR.com.

# APPENDIX C

# MIDNIGHT STAR VENTURES CORP.

## Management's Discussion and Analysis

### For the Year Ended

### April 30, 2016

## INTRODUCTION

The following discussion and analysis, prepared as of August 18, 2016 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended April 30, 2016, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under RISK AND UNCERTAINTIES in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

As at April 30, 2016, the Company held cash of $26,518 compared to $25,996 at April 30, 2015.

Amounts capitalized into exploration and evaluation assets at April 30, 2016 totaled $84,126 and the amount at April 30, 2015 amounted to $41,512.

As of April 30, 2016, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers about 1120 acres (453 hectares).

## SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2016, April 30, 2015, and April 30, 2014

| | | **Year Ended April 30 2016** | | **Year Ended April 30 2015** | | **Year Ended April 30 2014** |
|---|---|---|---|---|---|---|
| Total revenue | $ | - | $ | - | $ | - |
| Net loss for the year | $ | (162,710) | $ | (241,702) | $ | (77,414) |
| Basic and diluted loss per share | $ | | $ | | $ | |
| Total Assets | $ | 115,066 | $ | 100,851 | $ | 64,159 |
| Total Liabilities | $ | 89,693 | $ | 75,681 | $ | 9,344 |
| Cash Dividends per share | $ | - | $ | - | $ | - |

## RESULTS OF OPERATIONS FOR THE YEAR ENDED JANUARY 31, 2016

| | YEARS ENDED JANUARY 31 | | | |
|---|---|---|---|---|
| | | **2016** | | 2015 |
| **Expenses** | | | | |
| Bank charges and interest | **$** | **654** | $ | 413 |
| Communications | | **3,419** | | 1,946 |
| Consulting | | **2,100** | | 6,000 |
| Depreciation | | **660** | | 329 |
| Interest on notes and convertible notes payable | | **2,044** | | 1,910 |
| Management fees | | **45,000** | | 54,000 |
| Office and miscellaneous | | **2,623** | | 2,955 |
| Professional fees | | **57,459** | | 62,495 |
| Promotion | | **10,563** | | 11,193 |
| Regulatory and filing fees | | **24,581** | | 6,803 |
| Rent | | **12,000** | | 2,500 |
| Share-based payments | | **-** | | 89,100 |
| Travel | | **1,607** | | 2,058 |
| | | **162,710** | | 241,702 |
| *Net Loss and Comprehensive Loss for the Period* | **$** | **(162,710)** | $ | (241,702) |
| *Loss Per Share, Basic and diluted* | **$** | **(0.02)** | $ | (0.03) |
| *Weighted Average Number of Shares Outstanding* | | **13,757,692** | | 9,720,010 |

The Company incurred a net loss and comprehensive loss of $162,710 during the year ended April 30, 2016, compared to a net loss and comprehensive loss of $241,702 for comparative year ended April 30, 2015.

The most significant differences in expenses incurred in the year ended April 30, 2016 and 2015 are discussed below:

Consulting fees decreased to $2,100 (2015 - $6,000), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year.

Management fees decreased to $45,000 (2015 - $54,000) as the fees paid to the president were reduced from $4,000 to $3,000 per month in March 2015. The Company also in December 2014 commenced paying a $1,000 per month director’s fee to Bernie Hoing. The arrangement with Bernie Hoing ceased in January 2016.

Office and miscellaneous fees decreased to $2,623 (2015 - $2,955) as a result of reduced corporate activity during the year.

Professional fees decreased to $57,459 (2015 - $62,495). Additional legal fees were incurred in respect of the initial public offering in the current period, however ongoing legal and accounting fees decreased subsequent to the IPO.

Regulatory and filing fees increased to $24,581 (2015 - $6,803) as a direct result of the Company acquiring its listing on the CSE.

Rent increased to $12,000 (2015 - $2,500) as the Company has entered into a monthly rental arrangement for office space in Vancouver BC. The rental paid is $1,000 per month.

Share – based payments expense reduced to $nil (2015 - $89,100) The charge in the prior year related to the recording of the estimated fair value, computed using the Black-Scholes pricing model, of changes in terms of warrants issued to the Company President.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the year ended April 30, 2016, the Company incurred $42,614 of exploration or evaluation expenditures on the Fish Property.

<u>The Fish Property</u>

The Fish Project is owned by Claremont Nevada Mines LLC. On August 28, 2013, the Company entered into an earn in agreement with Pengram Corporation (the "Optionor") whereby the Optionor agreed to assign the Company 80% of its option to acquire a 100% interest in the Fish Project pursuant to an option agreement between the Optionor and Claremont Nevada Mines LLC dated March 31, 2011, as amended on August 28, 2013.

The agreement provides that the Company can acquire an 80% interest in the claims by making staged advance royalty payments as follows:

i) Cdn$2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) Cdn$2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) Cdn$9,866 (US$7,500) on or before August 28, 2015 (paid)
iv) Cdn$12,548 (US$10,000) on or before August 28, 2016;
v) Cdn$15,685 (US$12,500) on or before August 28, 2017;
iv) Cdn$18,822 (US$15,000) on or before August 28, 2018.

In the event that the underlying option is extended, the Company will make an advance royalty payment of $18,822 (US$15,000) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2016, the Company paid the advance royalty payment of $9,866 (US$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating $32,748 (US$24,772).

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

*Discussion of the Fish Property*

Compete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

*Continued Exploration and Development*

The Company commissioned its own NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014 which was filed on SEDAR on February 25, 2015. This report recommended a two phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consists of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. Phase 1 to date has cost $32,748 (US$24,772) against a budgeted cost of approximately US$20,600. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately $107,000.

**Summary of Quarterly Results**

The following is a summary of the Company's quarterly results for the period from May 1, 2014 to April 30, 2016 reported in Canadian currency.

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | **APRIL 30, 2016** | **JANUARY 31, 2016** | **OCTOBER 31, 2015** | **JULY 31, 2015** |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (40,739) | $ (27,487) | $ (57,812) | $ (36,672) |
| Net income (loss) for the period | $ (40,739) | $ (27,487) | $ (57,812) | $ (36,672) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | APRIL 30, 2015 | JANUARY 31, 2015 | OCTOBER 31, 2014 | JULY 31, 2014 |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (52,448) | $ (100,701) | $ (66,039) | $ (22,514) |
| Net income (loss) for the period | $ (52,448) | $ (100,701) | $ (66,039) | $ (22,514) |
| Basic income (loss) per share | $ (0.00) | $ (0.02) | $ (0.00) | $ (0.00) |

The Company reported a net loss of $40,739 for the three month period ended April 30, 2016 compared to $52,448 for the comparable three month period ended April 30, 2015. The basic loss per share for the three month period ended April 30, 2016 was ($0.00) versus ($0.00) for the comparable period of 2015.

**RESULTS OF OPERATIONS FOR THE**
**THREE MONTH PEROD ENDED APRIL 30, 2016**

| | THREE MONTHS ENDED APRIL 30, | | | |
|---|---|---|---|---|
| | | **2016** | | 2015 |
| **Expenses** | | | | |
| Bank charges and interest | **$** | **85** | $ | 104 |
| Communications | | **980** | | 537 |
| Consulting | | **900** | | - |
| Depreciation | | **165** | | 165 |
| Interest on notes and convertible notes payable | | **532** | | 203 |
| Management fees | | **9,000** | | 13,000 |
| Office and miscellaneous | | **158** | | 490 |
| Professional fees | | **19,229** | | 26,216 |
| Promotion | | **1,974** | | 2,084 |
| Regulatory and filing fees | | **4,267** | | - |
| Rent | | **3,000** | | 2,500 |
| Travel | | **449** | | 346 |
| | | **40,739** | | 52,448 |
| *Net Loss and Comprehensive Loss for the Period* | **$** | **(40,739)** | $ | (52,448) |
| *Loss Per Share, Basic and diluted* | **$** | **(0.00)** | $ | (0.00) |
| *Weighted Average Number of Shares Outstanding* | | **14,335,418** | | 12,164,135 |

The Company incurred a net loss and comprehensive loss of $40,739 during the three month period ended April 30, 2016, compared to a net loss and comprehensive loss of $52,448 for comparative three month period ended April 30, 2015.

The most significant differences in expenses incurred in the three month periods ended April 30, 2015 and 2015 are discussed below:

Consulting fees increased to $900 (2015 - $537), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year, and the appointment of a new consultant during the year.

Management fees decreased to $9,000 (2015 - $13,000) a result of the Presidents monthly fee being reduced subsequent to the Company acquiring its listing on the CSE.

Professional fees decreased to $19,229 (2015 - $26,216) due to legal being incurred the prior period in respect of the initial public offering which completed prior to the current three month period.

Regulatory and filing fees increased to $4,267 (2015 - $nil) as a direct result of the Company acquiring its listing on the CSE.

Rent increased to $3,000 (2015 - $2,500) as the Company has entered into a monthly rental arrangement for office space in Vancouver BC. The rental paid is $1,000 per month.

All other expenses were generally consistent with the amounts incurred in the comparative period.

**LIQUIDITY**

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At April 30, 2016 the Company held cash of $26,518, (April 30, 2015 - $25,996), had amounts recoverable, consisting of Goods and services tax recoverable of $1,752 (April 30, 2015 – $4,702) and had prepaid expenses of $1689 (2015 - $nil). The Company had current liabilities of $89,693 (April 30, 2015 - $55,681). At April 30, 2016, the Company's working capital deficiency was $59,734 (April 30, 2015 – working capital of $2,017).

On June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

On April 4, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on April 4 of each year. The note has is repayable upon demand.

On March 24, 2015, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on March 15, of each year. The note has a repayment date of June 30, 2017.

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of $12,000, which on April 25, 2016 was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options. Each Agents Option is exercisable at $0.10 into one Common share of the Company until August 4, 2018. Shares issuance costs aggregating $54,867 were incurred. These costs included a corporate finance fee of $15,000 paid to the agent and other expenses aggregating $39,867. As at April 30, 2015, the Company had advanced the agent $12,000 towards expenses and paid the corporate finance fee of $15,000. These two amounts aggregating $27,000 were recorded as deferred financing costs at April 30, 2015.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding, or seek joint venture partners on its project. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at April 30, 2016, the primary assets of the Company comprise cash of $26,518, other receivable comprising GST recoverable of $1,752, prepaid expenses of $1,689 and its mineral property holding which is valued at $84,126. As of April 30, 2016, the Company had a working capital deficit of $59,734.

Financings and share issuances which occurred prior to the IPO noted above were as follows:

a) On December 22, 2014 the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at $0.02 per share on April 30, 2014 for aggregate proceeds of $131,600 pursuant to a non-brokered private placement.

## CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at $84,126 at April 30, 2016. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at April 30, 2016.

## OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As of April 30, 2016, accounts payable and accrued liabilities includes $618 (April 30, 2015 - $1,663) for expenses incurred by the President on behalf of the Company, $3,000 (April 30, 2015 - $2,000) for management fees charged by a director, and $18,175 (April 30, 2015 - $19,200) for services rendered to the Company a company controlled by an officer of the Company.

During the year ended April 30, 2016 and 2015, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

g) Paid or accrued management fees of $36,000 (2015 - $49,000) to the Company President, David Ryan.

h) Paid or accrued management fees of $9,000 (2015 - $5,000) to Bernie Hoing, a Director.

i) Paid or accrued management fees of $nil (2015 - $6,000) in aggregate to Greg Hoing or a Company controlled by Greg Hoing, a Director.

d) Paid or accrued professional fees of $22,000 (2015 - $21,500) to a company controlled by Matthew Wright, the Company CFO.

e) Recorded share-based payments expense of $nil (2015 – $89,100) as a result of the changing of terms on certain warrants held by the Company President, David Ryan.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at April 30, 2016, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, interest payable and notes payable.

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

e) Credit Risk

The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

f) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2016, the Company held cash of $26,518 (April 30, 2015 - $25,996) and had current liabilities of $89,693 (July 31, 2015 - $55,681). All of the Company's current liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market Risk

iii) Interest Rate Risk

The Company has cash balances, and three notes payable each with a face value of $20,000. The notes are unsecured and bear interest at 10% per annum which is to be paid annually on the anniversary of the notes.. One note for $20,000 had a repayment date of June 30, 2016, which has been renegotiated to June 30, 2017. The remaining two notes are repayable upon demand. As at April 30, 2016, accrued interest on the notes outstanding totalled $2,247

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar. The earn in agreement to acquire the Fish property is denominated in US dollars. Accordingly the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes.

As at April 30, 2016, the Company held no significant financial assets or liabilities which were denominated in currencies other than the Canadian dollar.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

## SUBSEQUENT EVENTS

Subsequent to the year end, on June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

## OTHER INFORMATION

### Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

*Common Shares*

| | Number of Shares |
|---|---|
| Authorized | |
| Unlimited common shares, without par value | |
| Issued | |
| Balance at April 30, 2016 and August 18, 2016 | 14,561,935 |

*Agents Options*

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| **205,780** | $0.10 | August 4, 2018 |

*Stock Options*

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

*Shares held in Escrow*

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

As the Company anticipates being an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

In April 2016, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow agreement, were exercised by the President of the Company. As such 187,500 were released immediately and the remaining amount was released on the anniversary of the Listing Date. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at August 18, 2016, 2,182,501 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

There are no other potential share issuance obligations outstanding as of August 18, 2016.

## INVESTOR RELATIONS CONTRACT

None

## CONTRACTUAL OBLIGATIONS

None

## RISKS AND UNCERTAINTIES

### Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

## History of Losses

The Company has incurred net losses every period since inception and as of April 30, 2016, had an accumulated deficit of $442,610

## No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

## Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

## Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

## Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

## Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

## MD&A PREPARATION

This MD&A was prepared as of August 18, 2016. This MD&A should be read in conjunction the audited financial statements for the year ended April 30, 2016. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.sedar.com.

Appendix A

# MIDNIGHT STAR VENTURES CORP.

## Management's Discussion and Analysis

**For the Year Ended**

**April 30, 2018**

## INTRODUCTION

The following discussion and analysis, prepared as of June 26, 2018 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended April 30, 2018, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under **RISK AND UNCERTAINTIES** in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV".

As at April 30, 2018, the Company held cash of $357,328 compared to $2,526 at April 30, 2017.

Amounts capitalized into exploration and evaluation assets at April 30, 2018 totaled $137,486 and the amount at April 30, 2017 amounted to $109,871.

As of April 30, 2018, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers about 1120 acres (453 hectares).

## SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2018, 2017, 2016 and 2015:

| | | Year Ended April 30 2018 | | Year Ended April 30 2017 | | Year Ended April 30 2016 | | Year Ended April 30 2015 |
|---|---|---|---|---|---|---|---|---|
| Total revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss for the year | $ | (210,435) | $ | (136,189) | $ | (162,710) | $ | (241,702) |
| Basic and diluted loss per share | $ | | $ | | $ | | $ | |
| Total Assets | $ | 498,514 | $ | 114,605 | $ | 115,066 | $ | 100,851 |
| Total Liabilities | $ | 45,762 | $ | 225,421 | $ | 89,693 | $ | 75,681 |
| Cash Dividends per share | $ | - | $ | - | $ | - | $ | - |

## RESULTS OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2018

| | YEARS ENDED APRIL 30 | | | |
|---|---|---|---|---|
| | | **2018** | | 2017 |
| **Expenses** | | | | |
| Communications | **$** | **2,060** | $ | 1,669 |
| Consulting | | **-** | | 900 |
| Depreciation | | **321** | | 660 |
| Interest on notes payable | | **5,075** | | 8,324 |
| Management fees | | **36,000** | | 36,000 |
| Office and miscellaneous | | **514** | | 2,959 |
| Professional fees | | **141,400** | | 56,227 |
| Promotion | | **-** | | 4,470 |
| Regulatory and filing fees | | **14,242** | | 12,323 |
| Rent | | **12,000** | | 12,000 |
| Travel | | **-** | | 657 |
| | | **211,612** | | 136,189 |
| **Net loss before other item** | | **(211,612)** | | (136,189) |
| Gain on settlement of notes payable | | **1,177** | | - |
| **Net Loss and Comprehensive Loss for the Year** | **$** | **(210,435)** | $ | (136,189) |
| **Loss Per Share**, Basic and Diluted | **$** | **(0.01)** | $ | (0.01) |
| **Weighted Average Number of Shares Outstanding** | | **20,246,547** | | 14,561,935 |

The Company incurred a net loss and comprehensive loss of $210,435 during the year ended April 30, 2018, compared to a net loss and comprehensive loss of $136,189 for comparative year ended April 30, 2017.

The most significant differences in expenses incurred in the year ended April 30, 2018 and 2017 are discussed below:

Communication costs increased to $2,060 (2017 – $1,669) as a result of increased communications activity.

Consulting fees decreased to $Nil (2017 - $900), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year.

Interest on notes payable decreased to $5,075 (2017 - $8,324) a result of the settlement of the notes during the current year for cash and common shares, thereby reducing the interest charges incurred.

Office expenses decreased to $514 (2017 - $2,959) as a result of less corporate activity.

Professional fees increased to $141,400 (2017 - $56,227) a result of the company incurring non-routine legal fees, pursuant to the reverse takeover transaction (see Proposed Transaction) and financing undertaken during the year.

Promotion decreased to $Nil (2017 - $4,470) a result of fewer promotional activities by management.

Regulatory and filing fees increased to $14,242 (2017 - $12,323) as result of the Company undertaking the private placement during the year.

Gain on settlement of notes payable increased to $1,177 (2017 - $Nil) a result of the settlement of the notes payable by issuance of common shares and cash payment.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the year ended April 30, 2018, the Company incurred $27,615 (2017 - $25,745) of exploration or evaluation expenditures on the Fish Property.

<u>The Fish Property</u>

The Fish Project is owned by Claremont Nevada Mines LLC. Midnight Star entered into a new option agreement dated August 28, 2016 (the "New Agreement") with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation, under the terms of which Midnight Star had the option to acquire up to an 80% interest in the Fish Project.

The New Agreement provides that the Company can acquire a 100% interest in the claims by making staged advance royalty payments as follows:

i) Cdn$2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) Cdn$2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) Cdn$9,866 (US$7,500) on or before August 28, 2015 (paid);
iv) Cdn $2,623 (US$2,000) on or before August 28, 2016 (paid);
iv) Cdn$10,660 (US$8,000) on or before October 12, 2016 (paid);
v) Cdn$15,600 (US$12,500) on or before August 28, 2017 (paid);
iv) Cdn$19,260 (US$15,000) on or before August 28, 2018.

In addition to the advanced royalty payments, the Company must deliver $1,000 and either a copy of a mine plan or final feasibility study on or before August 28, 2018. If the Company cannot meet these requirements, the option may be extended for an additional five years. If the option is extended, the Company will be required make an advance royalty payment of $16,050 (US$12,500) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2018, the Company incurred $15,600 (US$10,000) in advance royalty payments and $12,015 (US$10,485) of claim maintenance fees on the Fish Property.

During the year ended April 30, 2017, the Company incurred $13,283 (US$10,000) in advance royalty payments and $11,588 (US$8,835) of claim maintenance fees on the Fish Property. The Company also made exploration advances of $874 (US$672).

During the year ended April 30, 2016, the Company paid the advance royalty payment of $9,866 (US$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating $32,748 (US$24,772).

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

*Discussion of the Fish Property*

Compete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

*Continued Exploration and Development*

The Company commissioned its own NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014 which was filed on SEDAR on February 25, 2015. This report recommended a two phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consisted of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately $107,000.

## Summary of Quarterly Results

The following is a summary of the Company's quarterly results for the period from May 1, 2016 to April 30, 2018 reported in Canadian currency.

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | APRIL 30, 2018 | JANUARY 31, 2018 | OCTOBER 31, 2017 | JULY 31, 2017 |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (85,929) | $ (40,118) | (46,779) | $ (37,609) |
| Net income (loss) for the period | $ (85,929) | $ (40,118) | (46,779) | $ (37,609) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | (0.00) | $ (0.00) |

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | APRIL 30, 2017 | JANUARY 31, 2017 | OCTOBER 31, 2016 | JULY 31, 2016 |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (45,469) | $ (24,004) | $ (36,427) | $ (30,289) |
| Net income (loss) for the period | $ (45,469) | $ (24,004) | $ (36,427) | $ (30,289) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

The Company reported a net loss of $85,929 for the three month period ended April 30, 2018 compared to $45,469 for the comparable three month period ended April 30, 2017. The basic loss per share for the three month period ended April 30, 2018 was ($0.00) versus ($0.00) for the comparable period of 2017.

## RESULTS OF OPERATIONS FOR THE THREE MONTH PEROD ENDED APRIL 30, 2018

| | THREE MONTHS ENDED APRIL 30, | |
|---|---|---|
| | **2018** | 2017 |
| **Expenses** | | |
| Communications | **534** | 165 |
| Depreciation | **-** | 165 |
| Interest on notes payable | **153** | 2,680 |
| Management fees | **9,000** | 9,000 |
| Office and miscellaneous | **58** | 459 |
| Professional fees | **67,666** | 27,320 |
| Promotion | **-** | 612 |
| Regulatory and filing fees | **5,518** | 2,005 |
| Rent | **3,000** | 3,000 |
| Travel | **-** | 63 |
| | **85,929** | 45,469 |
| **Net Loss and Comprehensive Loss for the Period** | **$ (85,929)** | $ (45,469) |
| **Loss Per Share**, Basic and diluted | **$ (0.00)** | $ (0.00) |
| **Weighted Average Number of Shares Outstanding** | **26,643,768** | 14,561,935 |

The Company incurred a net loss and comprehensive loss of $85,929 during the three month period ended April 30, 2018, compared to a net loss and comprehensive loss of $45,469 for comparative three month period ended April 30, 2017.

The most significant differences in expenses incurred in the three month periods ended April 30, 2018 and 2017 are discussed below:

Interest on notes payable decreased to $153 (2017 - $2,680) as result of the settlement of notes payable in prior quarters.

Professional fees increased to $67,666 (2017 - $27,320) due to increased non-routine legal services received during the quarter.

Promotion decreased to $Nil (2017 - $612) as a result of decreased promotional activity by management.

Regulatory and filing fees increased to $5,518 (2017 - $2,005), as a result of increased transaction costs being incurred during the period.

All other expenses were generally consistent with the amounts incurred in the comparative period.

## LIQUIDITY AND CAPITAL RESOURCES

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At April 30, 2018 the Company held cash of $357,328, (2017 - $2,526), had amounts recoverable, consisting of Goods and services tax recoverable of $3,700 (2017 – $1,887). The Company had current liabilities of $45,762 (2017 - $225,421). At April 30, 2018, the Company's working capital was $315,266 (2017 – working capital deficiency of $221,008).

During the year ended April 30, 2018, the Company completed a Private Placement Offering and issued 8,500,000 common shares at a price of $0.0675 per Share for total proceeds of $573,750. Pursuant to the financing the Company paid commissions or finders fees to registered brokers of $44,181. The proceeds of the offering will be used for working capital purposes.

During the year ended April 30, 2018, 81,841 Agents Options were exercised at a price of $0.10 for gross proceeds of $8,184.

Pursuant to settlement agreements entered into on September 13, 2017 and September 27, 2017, to settle notes payable and accrued interest aggregating $183,487 and accounts payable and accrued liabilities of $61,718 the Company issued 3,499,992 common shares with a deemed price of $0.0675 and made a cash payment of $7,778.

On March 28, 2018, the Company settled a note payable with a face value of $10,000 by cash settlement of $10,685 including $685 of accrued interest.

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of $12,000, which on April 25, 2016, was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the 2016 fiscal year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding or seek joint venture partners on its project. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at April 30, 2018, the primary assets of the Company comprise cash of $357,328, other receivable comprising GST recoverable of $3,700 and its mineral property holding which is valued at $137,486. As of April 30, 2018, the Company had a working capital of $315,266.

Financings and share issuances which occurred prior to the IPO and the financing noted above were as follows:

a) On December 22, 2014, the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at $0.02 per share on April 30, 2014 for aggregate proceeds of $131,600 pursuant to a non-brokered private placement.

## CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at $137,486 at April 30, 2018. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at April 30, 2018.

## OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at April 30, 2018, accounts payable and accrued liabilities include $3,150 (2017 - $Nil) for management fees charged by a company controlled by the President, $Nil (2017 - $14,400) for management fees charged directly by the Company President, $Nil (2017 - $618) for expenses incurred by the President on behalf of the Company, and $4,000 (2017 - $20,265) for services rendered to the Company by a company controlled by an officer of the Company.

During the years ended April 30, 2018 and 2017, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

a) Paid or accrued management fees of $18,000 (2017 - $36,000) to the Company President, David Ryan.

b) Paid or accrued management fees of $18,000 (2017 - $Nil) to a Company controlled by the Company President.

c) Paid or accrued consulting fees of $Nil (2017 - $900) to Stephen Ryan, a relative of the Company President, David Ryan.

d) Paid or accrued professional fees of $23,500 (2017 - $21,700) to a company controlled by Matthew Wright, the Company CFO.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at April 30, 2018, the Company's financial instruments consist of cash, and accounts payable and accrued liabilities,

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

c) Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and short-term investment is limited because the majority of the Company's cash and short-term investment balances are held by a Canadian chartered bank and the convertible notes payable are subject to a fixed interest rate.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 56 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at April 30, 2018, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

## PROPOSED TRANSACTION

On April 19, 2018, the Company entered into a Share Purchase Agreement (The "SPA") with BioHarvest Ltd. ("BioHarvest") whereby, subject to shareholder and regulatory approval, the Company will acquire a 100% interest in Dolarin Ltd. ("Dolarin"), a controlled subsidiary of BioHarvest.

Pursuant to the agreement the Company will issue common shares to BioHarvest equal to 50% of the current issued and outstanding share capital of the Company. As a result of the agreement Midnight will become the sole shareholder of Dolarin, and BioHarvest will control the Company. The completion of this transaction will constitute a Reverse Takeover of the Company by Dolarin.

As a condition of the Transaction a Financing will be conducted by the Company to raise a minimum of $3,300,000 by issuing up to 22,000,000 Units at a subscription price of $0.15 per Unit. Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant is exercisable into one common share of the Resulting Issuer at an exercise price of $0.23 for a period of 24 months following the closing of the Transaction. Agents were retained for the

Financing. The Agents will receive a cash commission of 5% of the gross proceeds and broker's warrants equivalent to 5% of the number of Units issued. Each broker's warrant is exercisable into one common share of the Company at $0.23 for a period of 24 months following closing.

As compensation for brokering the transaction the Company will pay $109,395 (US$85,000) and issue common shares equivalent to 3% of the number of shares issued to BioHarvest to an unrelated 3rd party.

The Transaction also provides for the Company to adopt a Stock Option plan whereby Employee Stock Option Plan ("ESOP") shares shall constitute 10% of the issued and outstanding share capital of the Company. Such stock options shall be granted immediately upon closing and vest over a 2-year period on a quarterly basis to employees of Dolarin.

On April 19, 2018, BioHarvest and Dolarin entered into a Licence Agreement, which has an effective date of the closing of the Transaction. Pursuant to the licence agreement Dolarin shall acquire certain worldwide, non-transferable, royalty bearing licences in perpetuity from BioHarvest for the use of BioHarvest's biotechnology for the production and sale of cannabis products for the medical and recreational markets.

Dolarin shall acquire the licences for the following consideration:

a) The issuance of 900,000 common shares of Dolarin to BioHarvest.
b) The payment of $205,920 (US$160,000) in 16 equal monthly payments of $12,870 (US$10,000) commencing on the effective date.
c) The payment to BioHarvest of a milestone payment comprising $1,081,080 (US$840,000) upon the commencement of construction of the first manufacturing facility for relevant licenced product.

On April 19, 2018, BioHarvest and Dolarin also entered into a Services Agreement with an effective date of the closing of the Transaction. Pursuant to the Servicing Agreement Dolarin will contract BioHarvest to perform certain limited research, development and commercialization of BioHarvest's technology for the field of cannabis including the equipment, materials, facilities and personnel. The initial period of the agreement shall be for 16 months, from closing of the transaction at a budgeted cost of $1,979,406 (US$1,538,000). Further expenditures may be required if the objectives of the research are not met during the initial period.

Subsequent to year-end, the Company made a payment to BioHarvest of $129,436 (US$ - 100,105) as an advance relating to the proposed transaction.

Under the terms of the Transaction the board of directors of Midnight Star will consist of six persons with half the Board to be nominated by Bioharvest. The following persons have been nominated by Bioharvest:

Dr. Zaki Rakib, Ph.D., serves as the Co-Founder and Executive Chairman of Bioharvest. He has extensive experience within the software, telecommunications hardware, semiconductors, cellular operations and bioscience categories, where he has spearheaded the development of multiple cutting-edge innovations. Leveraging his foundation in technical sciences, Dr. Rakib was one of the first leaders in the telecommunications industry. He co-founded Terayon Communication Systems, invented the first cable modem, and S-CDMA technology. Dr. Rakib holds Bachelor of Science, Master of Science, and Ph.D. degrees in Engineering from BenGurion University in Israel.

Mrs Vivien Rakib holds a B.Sc in Math and computer science. She had extensive experience in Software development for fortune 100 companies primarily in Silicon Valley California including Sun Microsystems and Phillips semiconductors. Mrs. Rakib is an investor in high-tech and in biotech. Most noteworthy are Shaker (where she also served as a board member) who was acquired by Play-Studios and Bioharvest where she is currently the largest shareholder and a board member. Mrs Rakib also serves on the board of 2 NGO's.

Initially at closing, the capacity of the Board is four members and the above two persons will be appointed with a third member to be appointed at the next general meeting of Midnight Star after the board capacity is increased to six members. In addition, Midnight Star will appoint Liron Carmel as a director Midnight Star. Mr. Carmel is a businessman based in Israel with experience in management of technology companies. He is currently the Chairman of Smart Energy Solutions Inc. and is a former Chairman of Emerald Medical Applications Corp. It is anticipated the current directors Shane Epp and Bernie Hoing will resign to make room for the appointments. David Ryan will continue as a director of Midnight Star. In addition, Mr. Epp and Mr. Ryan will transfer a total of 525,000 escrowed shares of Midnight Star to Mr. Carmel for nominal consideration of $0.01 per share.

## OTHER INFORMATION

### Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

*Common Shares*

| | Number of Shares |
|---|---|
| Authorized | |
| Unlimited common shares, without par value | |
| Issued | |
| Balance at April 30, 2018 and June 26, 2018 | 26,643,768 |

*Agents Options*

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| 123,939 | $0.10 | August 4, 2018 |

*Stock Options*

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

*Shares held in Escrow*

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

As the Company anticipates being an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

In April 2017, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow agreement, were exercised by the President of the Company. As such 187,500 were released immediately and the remaining amount was released on the anniversary of the Listing Date. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at June 26, 2018, 532,501 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

Except for the proposed transaction there are no other potential share issuance obligations outstanding as of June 26, 2018.

## <u>INVESTOR RELATIONS CONTRACT</u>

None

## CONTRACTUAL OBLIGATIONS

None

## RISKS AND UNCERTAINTIES

### Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

### History of Losses

The Company has incurred net losses every period since inception and as of April 30, 2018, had an accumulated deficit of $769,234

### No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

### Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

### Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

### Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

### Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

## MD&A PREPARATION

This MD&A was prepared as of June 26, 2018. This MD&A should be read in conjunction the audited financial statements for the year ended April 30, 2018. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.SEDAR.com.

Appendix B

# MIDNIGHT STAR VENTURES CORP.

## Management's Discussion and Analysis

**For the Year Ended**

**April 30, 2017**

**MIDNIGHT STAR VENTURES CORP**
**Year Ended April 30, 2017**
**Management's Discussion and Analysis**

## INTRODUCTION

The following discussion and analysis, prepared as of August 24, 2017 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended April 30, 2017, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under **RISK AND UNCERTAINTIES** in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

As at April 30, 2017, the Company held cash of $2,526 compared to $26,518 at April 30, 2016.

Amounts capitalized into exploration and evaluation assets at April 30, 2017 totaled $109,871 and the amount at April 30, 2016 amounted to $84,126.

As of April 30, 2017, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers about 1120 acres (453 hectares).

## SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2017, 2016, 2015 and 2014:

| | | Year Ended April 30 2017 | | Year Ended April 30 2016 | | Year Ended April 30 2015 | | Year Ended April 30 2014 |
|---|---|---|---|---|---|---|---|---|
| Total revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss for the year | $ | (136,189) | $ | (162,710) | $ | (241,702) | $ | (77,414) |
| Basic and diluted loss per share | $ | | $ | | $ | | $ | |
| Total Assets | $ | 114,605 | $ | 115,066 | $ | 100,851 | $ | 64,159 |
| Total Liabilities | $ | 225,421 | $ | 89,693 | $ | 75,681 | $ | 9,344 |
| Cash Dividends per share | $ | - | $ | - | $ | - | $ | - |

## RESULTS OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2017

| | YEARS ENDED JANUARY 31 | |
|---|---|---|
| | **2017** | 2016 |
| **Expenses** | | |
| Bank charges and interest | **$ 595** | $ 654 |
| Communications | **1,669** | 3,419 |
| Consulting | **900** | 2,100 |
| Depreciation | **660** | 660 |
| Interest on notes payable | **8,324** | 2,044 |
| Management fees | **36,000** | 45,000 |
| Office and miscellaneous | **2,364** | 2,623 |
| Professional fees | **56,227** | 57,459 |
| Promotion | **4,470** | 10,563 |
| Regulatory and filing fees | **12,323** | 24,581 |
| Rent | **12,000** | 12,000 |
| Share-based payments | **-** | - |
| Travel | **657** | 1,607 |
| | **136,189** | 162,710 |
| **Net Loss and Comprehensive Loss for the Year** | **$ (136,189)** | $ (162,710) |
| **Loss Per Share**, Basic and Diluted | **$ (0.01)** | $ (0.02) |
| **Weighted Average Number of Shares Outstanding** | **14,561,935** | 13,757,692 |

The Company incurred a net loss and comprehensive loss of $136,189 during the year ended April 30, 2017, compared to a net loss and comprehensive loss of $162,710 for comparative year ended April 30, 2016.

The most significant differences in expenses incurred in the year ended April 30, 2017 and 2016 are discussed below:

Consulting fees decreased to $900 (2016 - $2,100), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year.

Communication costs decreased to $1,669 (2016 – $3,419) as a result of decreased telephone activity.

Interest on notes payable increased to $8,324 (2016 - $2,044) as a result of increases in notes outstanding.

Management fees decreased to $36,000 (2016 - $45,000) as the fees paid to the president were reduced from $4,000 to $3,000 per month in March 2015. The Company also in December 2014 commenced paying a $1,000 per month director's fee to Bernie Hoing. The arrangement with Bernie Hoing ceased in January 2016.

Promotion decreased to $4,470 (2016 - $10,563) as result of fewer promotional activities by management.

Regulatory and filing fees decreased to $12,323 (2016 - $24,581) as a direct result of the having fewer filing fees post IPO.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the year ended April 30, 2017, the Company incurred $25,745 of exploration or evaluation expenditures on the Fish Property.

<u>The Fish Property</u>

The Fish Project is owned by Claremont Nevada Mines LLC. Midnight Star entered into a new option agreement dated August 28, 2016 (the "New Agreement") with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation, under the terms of which Midnight Star had the option to acquire up to an 80% interest in the Fish Project.

The New Agreement provides that the Company can acquire a 100% interest in the claims by making staged advance royalty payments as follows:

- i) Cdn$2,860 (US$2,500) on or before February 28, 2014 (paid);
- ii) Cdn$2,756 (US$2,500) on or before August 28, 2014 (paid);
- iii) Cdn$9,866 (US$7,500) on or before August 28, 2015 (paid)
- iv) Cdn $2,623 (US$2,000) on or before August 28, 2016 (paid)
- iv) Cdn$10,660 (US$8,000) on or before October 12, 2016 (paid)
- v) Cdn$16,250 (US$12,500) on or before August 28, 2017;
- iv) Cdn$19,500 (US$15,000) on or before August 28, 2018.

In addition to the advanced royalty payments, the Company must deliver $1,000 and either a copy of a mine plan or final feasibility study on or before August 28, 2018. If the Company cannot meet these requirements, the option may be extended for an additional five years. If the option is extended, the Company will be required make an advance royalty payment of $16,250 (US$12,500) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2017, the Company incurred $13,283 (US$10,000) in advance royalty payments and $11,588 (US$8,835) of claim maintenance fees on the Fish Property. The Company also made exploration advances of $874 (US$672).

During the year ended April 30, 2016, the Company paid the advance royalty payment of $9,866 (US$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating $32,748 (US$24,772).

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

*Discussion of the Fish Property*

Compete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

*Continued Exploration and Development*

The Company commissioned its own NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014 which was filed on SEDAR on February 25, 2015. This report recommended a two phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consisted of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. Phase 1 to date has cost $32,748 (US$24,772) against a budgeted cost of approximately US$20,600. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately $107,000.

## Summary of Quarterly Results

The following is a summary of the Company's quarterly results for the period from May 1, 2015 to April 30, 2017 reported in Canadian currency.

| | QUARTER ENDED | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | APRIL 30, 2017 | | JANUARY 31, 2017 | | OCTOBER 31, 2016 | | JULY 31, 2016 | |
| Total revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss before income taxes | $ | (45,469) | $ | (24,004) | | (36,427) | $ | (30,289) |
| Net income (loss) for the period | $ | (45,469) | $ | (24,004) | | (36,427) | $ | (30,289) |
| Basic income (loss) per share | $ | (0.00) | $ | (0.00) | | (0.00) | $ | (0.00) |

| | QUARTER ENDED | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | APRIL 30, 2016 | | JANUARY 31, 2016 | | OCTOBER 31, 2015 | | JULY 31, 2015 | |
| Total revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss before income taxes | $ | (40,739) | $ | (27,487) | $ | (57,812) | $ | (36,672) |
| Net income (loss) for the period | $ | (40,739) | $ | (27,487) | $ | (57,812) | $ | (36,672) |
| Basic income (loss) per share | $ | (0.00) | $ | (0.00) | $ | (0.00) | $ | (0.00) |

The Company reported a net loss of $45,469 for the three month period ended April 30, 2017 compared to $40,739 for the comparable three month period ended April 30, 2016. The basic loss per share for the three month period ended April 30, 2017 was ($0.00) versus ($0.00) for the comparable period of 2016.

## RESULTS OF OPERATIONS FOR THE THREE MONTH PEROD ENDED APRIL 30, 2017

| | THREE MONTHS ENDED APRIL 30, | |
|---|---|---|
| | **2017** | 2016 |
| **Expenses** | | |
| Bank charges and interest | **$ 47** | $ 85 |
| Communications | **165** | 980 |
| Depreciation | **165** | 165 |
| Interest on notes payable | **2,680** | 532 |
| Management fees | **9,000** | 9,000 |
| Office and miscellaneous | **412** | 158 |
| Professional fees | **27,320** | 19,229 |
| Promotion | **612** | 1,974 |
| Regulatory and filing fees | **2,005** | 4,267 |
| Rent | **3,000** | 3,000 |
| Travel | **63** | 449 |
| | **45,469** | 40,739 |
| **Net Loss and Comprehensive Loss for the Period** | **$ (45,469)** | $ (40,739) |
| **Loss Per Share**, Basic and diluted | **$ (0.00)** | $ (0.00) |
| **Weighted Average Number of Shares Outstanding** | **14,561,935** | 11,646,035 |

The Company incurred a net loss and comprehensive loss of $45,469 during the three month period ended April 30, 2017, compared to a net loss and comprehensive loss of $40,739 for comparative three month period ended April 30, 2016.

The most significant differences in expenses incurred in the three month periods ended April 30, 2017 and 2016 are discussed below:

Interest on notes payable increased to $2,680 (2016 - $532) as a result of increases in convertible notes outstanding.

Professional fees increased to $27,320 (2016 - $19,229) due to increased non-routine legal services requested during the quarter.

Promotion decreased to $612 (2016 - $1,974) as a result of decreased promotional activity by management.

Regulatory and filing fees decreased to $2,005 (2016 - $4,267) as a result of the Company switching to a lower cost transfer agent.

All other expenses were generally consistent with the amounts incurred in the comparative period.

## LIQUIDITY

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At April 30, 2017 the Company held cash of $2,526, (April 30, 2016 - $26,518), had amounts recoverable, consisting of Goods and services tax recoverable of $1,887 (April 30, 2016 – $1,752) and had prepaid expenses of $nil (2016 - $1,689). The Company had current liabilities of $225,421 (April 30, 2016 - $89,693). At April 30, 2017, the Company's working capital deficiency was $221,008 (April 30, 2016 – working capital deficiency of $59,734).

On August 21, 2017, the Company issued a promissory note in the amount of $31,384 (US$23,000). The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 21st of each year. The note is repayable on demand.

On July 21, 2017, the Company issued a promissory note in the amount of $10,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on July 21, of each year. The note is repayable upon demand.

On January 16, 2017, the Company issued a promissory note in the amount of $30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on January 16, of each year. The note is repayable upon demand.

On October 10, 2016, the Company issued a promissory note in the amount of $30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on October 10, of each year. The note is repayable upon demand

On August 23, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 23 of each year. The note is repayable upon demand.

On June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

On April 25, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on April 25 of each year. The note has is repayable upon demand.

On March 24, 2015, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on March 15, of each year. The note has is repayable upon demand..

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of $12,000, which on April 25, 2016, was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the 2015 fiscal year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding or seek joint venture partners on its project. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at April 30, 2017, the primary assets of the Company comprise cash of $2,526, other receivable comprising GST recoverable of $1,887 and its mineral property holding which is valued at $109,871. As of April 30, 2017, the Company had a working capital deficit of $221,008.

Financings and share issuances which occurred prior to the IPO noted above were as follows:

a) On December 22, 2014 the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at $0.02 per share on April 30, 2014 for aggregate proceeds of $131,600 pursuant to a non-brokered private placement.

## CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at $109,871 at April 30, 2017. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at April 30, 2017.

## OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As of April 30, 2017, accounts payable and accrued liabilities includes $Nil (April 30, 2016 - $618) for expenses incurred by the President on behalf of the Company, $14,400 (April 30, 2016 - $Nil) for management fees charged by the President $Nil (April 30, 2016 - $3,000) for management fees charged by a director, and $20,265 (April 30, 2016 - $18,175) for services rendered to the Company a company controlled by an officer of the Company.

During the year ended April 30, 2017 and 2016, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

a) Paid or accrued management fees of $36,000 (2016 - $36,000) to the Company President, David Ryan.

b) Paid or accrued management fees of $Nil (2016 - $9,000) to Bernie Hoing, a Director.

c) Paid or accrued consulting fees of $900 (2016 - $2,100) to Stephen Ryan, a relative of the Company President, David Ryan.

d) Paid or accrued professional fees of $21,700 (2016 - $22,000) to a company controlled by Matthew Wright, the Company CFO.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at April 30, 2017, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, interest payable and notes payable.

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

c) Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and short-term investment is limited because the majority of the Company's cash and short-term investment balances are held by a Canadian chartered bank and the convertible notes payable are subject to a fixed interest rate.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 58 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at April 30, 2017, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title.

Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

## SUBSEQUENT EVENTS

Subsequent to the year end:

a) On July 21, 2017, the Company issued a promissory note in the amount of $10,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on July 21 of each year. The note is repayable upon demand.

b) On August 21, 2017, the Company issued a promissory note in the amount of $31,834 (US$23,000). The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 21 of each year. The note is repayable upon demand

## OTHER INFORMATION

### Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

*Common Shares*

| | Number of Shares |
|---|---|
| Authorized | |
| Unlimited common shares, without par value | |
| Issued | |
| Balance at April 30, 2017 and August 18, 2017 | 14,561,935 |

*Agents Options*

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| 205,780 | $0.10 | August 4, 2018 |

*Stock Options*

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

*Shares held in Escrow*

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

As the Company anticipates being an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

In April 2017, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow agreement, were exercised by the President of the Company. As such 187,500 were released immediately and the remaining amount was released on the anniversary of the Listing Date. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at August 24, 2017, 1,065,001 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

There are no other potential share issuance obligations outstanding as of August 24, 2017.

## INVESTOR RELATIONS CONTRACT

None

## CONTRACTUAL OBLIGATIONS

None

## RISKS AND UNCERTAINTIES

### Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

## History of Losses

The Company has incurred net losses every period since inception and as of April 30, 2017, had an accumulated deficit of $558,799

## No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

## Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

## Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

## Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

## Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

## MD&A PREPARATION

This MD&A was prepared as of August 24, 2017. This MD&A should be read in conjunction the audited financial statements for the year ended April 30, 2017. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.SEDAR.com.

Appendix C

# MIDNIGHT STAR VENTURES CORP.

## Management's Discussion and Analysis

### For the Year Ended

### April 30, 2016

## INTRODUCTION

The following discussion and analysis, prepared as of August 18, 2016 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended April 30, 2016, and the related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under **RISK AND UNCERTAINTIES** in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085- 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange ("CSE"), and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

As at April 30, 2016, the Company held cash of $26,518 compared to $25,996 at April 30, 2015.

Amounts capitalized into exploration and evaluation assets at April 30, 2016 totaled $84,126 and the amount at April 30, 2015 amounted to $41,512.

As of April 30, 2016, the Company is earning its interest in the Fish property; located in Esmeralda County, Nevada, USA. It lies on the eastern flank of Lone Mountain about 20 airline kilometres (12 airline miles) west of the historic mining town of Tonopah, Nevada. The property occupies all or part of sections 1, 2, 3, 10, 11, and 12 of Township 2 North, Range 40 E, and sections 34, 35, and 36, Township 3 North, Range 40 East., MDB&M, in the Lone Mountain Mining District, Esmeralda County, Nevada. The land holding is made up of 56 unpatented mining claims and covers about 1120 acres (453 hectares).

## SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with IFRS stated in Canadian dollars is presented as at April 30, 2016, April 30, 2015, and April 30, 2014

| | | Year Ended April 30 2016 | | Year Ended April 30 2015 | | Year Ended April 30 2014 |
|---|---|---|---|---|---|---|
| Total revenue | $ | - | $ | - | $ | - |
| Net loss for the year | $ | (162,710) | $ | (241,702) | $ | (77,414) |
| Basic and diluted loss per share | $ | | $ | | $ | |
| Total Assets | $ | 115,066 | $ | 100,851 | $ | 64,159 |
| Total Liabilities | $ | 89,693 | $ | 75,681 | $ | 9,344 |
| Cash Dividends per share | $ | - | $ | - | $ | - |

## RESULTS OF OPERATIONS FOR THE YEAR ENDED JANUARY 31, 2016

| | YEARS ENDED JANUARY 31 | |
|---|---|---|
| | **2016** | 2015 |
| **Expenses** | | |
| Bank charges and interest | **$ 654** | $ 413 |
| Communications | **3,419** | 1,946 |
| Consulting | **2,100** | 6,000 |
| Depreciation | **660** | 329 |
| Interest on notes and convertible notes payable | **2,044** | 1,910 |
| Management fees | **45,000** | 54,000 |
| Office and miscellaneous | **2,623** | 2,955 |
| Professional fees | **57,459** | 62,495 |
| Promotion | **10,563** | 11,193 |
| Regulatory and filing fees | **24,581** | 6,803 |
| Rent | **12,000** | 2,500 |
| Share-based payments | **-** | 89,100 |
| Travel | **1,607** | 2,058 |
| | **162,710** | 241,702 |
| **Net Loss and Comprehensive Loss for the Period** | **$ (162,710)** | $ (241,702) |
| **Loss Per Share**, Basic and diluted | **$ (0.02)** | $ (0.03) |
| **Weighted Average Number of Shares Outstanding** | **13,757,692** | 9,720,010 |

The Company incurred a net loss and comprehensive loss of $162,710 during the year ended April 30, 2016, compared to a net loss and comprehensive loss of $241,702 for comparative year ended April 30, 2015.

The most significant differences in expenses incurred in the year ended April 30, 2016 and 2015 are discussed below:

Consulting fees decreased to $2,100 (2015 - $6,000), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year.

Management fees decreased to $45,000 (2015 - $54,000) as the fees paid to the president were reduced from $4,000 to $3,000 per month in March 2015. The Company also in December 2014 commenced paying a $1,000 per month director's fee to Bernie Hoing. The arrangement with Bernie Hoing ceased in January 2016.

Office and miscellaneous fees decreased to $2,623 (2015 - $2,955) as a result of reduced corporate activity during the year.

Professional fees decreased to $57,459 (2015 - $62,495). Additional legal fees were incurred in respect of the initial public offering in the current period, however ongoing legal and accounting fees decreased subsequent to the IPO.

Regulatory and filing fees increased to $24,581 (2015 - $6,803) as a direct result of the Company acquiring its listing on the CSE.

Rent increased to $12,000 (2015 - $2,500) as the Company has entered into a monthly rental arrangement for office space in Vancouver BC. The rental paid is $1,000 per month.

Share – based payments expense reduced to $nil (2015 - $89,100) The charge in the prior year related to the recording of the estimated fair value, computed using the Black-Scholes pricing model, of changes in terms of warrants issued to the Company President.

All other expenses were generally consistent with the amounts incurred in the comparative period.

During the year ended April 30, 2016, the Company incurred $42,614 of exploration or evaluation expenditures on the Fish Property.

<u>The Fish Property</u>

The Fish Project is owned by Claremont Nevada Mines LLC. On August 28, 2013, the Company entered into an earn in agreement with Pengram Corporation (the "Optionor") whereby the Optionor agreed to assign the Company 80% of its option to acquire a 100% interest in the Fish Project pursuant to an option agreement between the Optionor and Claremont Nevada Mines LLC dated March 31, 2011, as amended on August 28, 2013.

The agreement provides that the Company can acquire an 80% interest in the claims by making staged advance royalty payments as follows:

i) Cdn$2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) Cdn$2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) Cdn$9,866 (US$7,500) on or before August 28, 2015 (paid)
iv) Cdn$12,548 (US$10,000) on or before August 28, 2016;
v) Cdn$15,685 (US$12,500) on or before August 28, 2017;
iv) Cdn$18,822 (US$15,000) on or before August 28, 2018.

In the event that the underlying option is extended, the Company will make an advance royalty payment of $18,822 (US$15,000) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2016, the Company paid the advance royalty payment of $9,866 (US$7,500) and incurred additional sustaining costs for the property aggregating additional sustaining costs aggregating $32,748 (US$24,772).

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

*Discussion of the Fish Property*

Compete details of prior exploration and the geological features of the Fish Property have been presented in the Company's long form prospectus which was filed on SEDAR of May 8, 2015.

*Continued Exploration and Development*

The Company commissioned its own NI43-101 compliant technical report by David R Shaddrick, M.Sc., CPG, P.Geo. dated October 29, 2014 which was filed on SEDAR on February 25, 2015. This report recommended a two phase exploration program.

The Company commenced the first phase during the current period as recommended by the author of the Technical Report. The first phase consists of detailed geological mapping and soil/rock chip sampling on three currently identified, broadly defined, target areas.

The land holding should be expanded on the west side of the property to cover any possible extensions of into the gap in claims. This will require the acquisition of one additional claim. Phase 1 to date has cost $32,748 (US$24,772) against a budgeted cost of approximately US$20,600. The Company has completed Phase 1 of its work program on the Fish Project as outlined in Midnight Star's 43-101 Technical Report on the Fish Project. Phase 1 consisted of detailed geological mapping and soil/rock chip sampling and the staking an additional claim. Management is currently evaluating the results of the exploration program and determining the best course of action for Midnight Star going forward.

A second phase exploration program will only be undertaken if, after data has been compiled, management including the Company's qualified person, determine that the results obtained from Phase I work are sufficiently positive in demonstrating the possible presence of a mineral deposit to warrant additional expenditures. Phase 2 exploration would include the collection of drill samples and should it go ahead is expected to cost approximately $107,000.

## Summary of Quarterly Results

The following is a summary of the Company's quarterly results for the period from May 1, 2014 to April 30, 2016 reported in Canadian currency.

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | APRIL 30, 2016 | JANUARY 31, 2016 | OCTOBER 31, 2015 | JULY 31, 2015 |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (40,739) | $ (27,487) | $ (57,812) | $ (36,672) |
| Net income (loss) for the period | $ (40,739) | $ (27,487) | $ (57,812) | $ (36,672) |
| Basic income (loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

| | QUARTER ENDED | | | |
|---|---|---|---|---|
| | APRIL 30, 2015 | JANUARY 31, 2015 | OCTOBER 31, 2014 | JULY 31, 2014 |
| Total revenue | $ - | $ - | $ - | $ - |
| Net loss before income taxes | $ (52,448) | $ (100,701) | $ (66,039) | $ (22,514) |
| Net income (loss) for the period | $ (52,448) | $ (100,701) | $ (66,039) | $ (22,514) |
| Basic income (loss) per share | $ (0.00) | $ (0.02) | $ (0.00) | $ (0.00) |

The Company reported a net loss of $40,739 for the three month period ended April 30, 2016 compared to $52,448 for the comparable three month period ended April 30, 2015. The basic loss per share for the three month period ended April 30, 2016 was ($0.00) versus ($0.00) for the comparable period of 2015.

## RESULTS OF OPERATIONS FOR THE THREE MONTH PEROD ENDED APRIL 30, 2016

| | THREE MONTHS ENDED APRIL 30, 2016 | 2015 |
|---|---|---|
| **Expenses** | | |
| Bank charges and interest | **$ 85** | $ 104 |
| Communications | **980** | 537 |
| Consulting | **900** | - |
| Depreciation | **165** | 165 |
| Interest on notes and convertible notes payable | **532** | 203 |
| Management fees | **9,000** | 13,000 |
| Office and miscellaneous | **158** | 490 |
| Professional fees | **19,229** | 26,216 |
| Promotion | **1,974** | 2,084 |
| Regulatory and filing fees | **4,267** | - |
| Rent | **3,000** | 2,500 |
| Travel | **449** | 346 |
| | **40,739** | 52,448 |
| **Net Loss and Comprehensive Loss for the Period** | **$ (40,739)** | $ (52,448) |
| **Loss Per Share**, Basic and diluted | **$ (0.00)** | $ (0.00) |
| **Weighted Average Number of Shares Outstanding** | **14,335,418** | 12,164,135 |

The Company incurred a net loss and comprehensive loss of $40,739 during the three month period ended April 30, 2016, compared to a net loss and comprehensive loss of $52,448 for comparative three month period ended April 30, 2015.

The most significant differences in expenses incurred in the three month periods ended April 30, 2015 and 2015 are discussed below:

Consulting fees increased to $900 (2015 - $537), a result of the cancellation of a monthly consulting arrangement during the prior fiscal year, and the appointment of a new consultant during the year.

Management fees decreased to $9,000 (2015 - $13,000) a result of the Presidents monthly fee being reduced subsequent to the Company acquiring its listing on the CSE.

Professional fees decreased to $19,229 (2015 - $26,216) due to legal being incurred the prior period in respect of the initial public offering which completed prior to the current three month period.

Regulatory and filing fees increased to $4,267 (2015 - $nil) as a direct result of the Company acquiring its listing on the CSE.

Rent increased to $3,000 (2015 - $2,500) as the Company has entered into a monthly rental arrangement for office space in Vancouver BC. The rental paid is $1,000 per month.

All other expenses were generally consistent with the amounts incurred in the comparative period.

## LIQUIDITY

The Company is engaged in mineral exploration and has no cash flow from operations.

The Company must rely on equity financing, loans and/or advances to meet its administrative and overhead expenses and to pursue its objectives. At April 30, 2016 the Company held cash of $26,518, (April 30, 2015 - $25,996), had amounts recoverable, consisting of Goods and services tax recoverable of $1,752 (April 30, 2015 – $4,702) and had prepaid expenses of $1689 (2015 - $nil). The Company had current liabilities of $89,693 (April 30, 2015 - $55,681). At April 30, 2016, the Company's working capital deficiency was $59,734 (April 30, 2015 – working capital of $2,017).

On June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

On April 4, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on April 4 of each year. The note has is repayable upon demand.

On March 24, 2015, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on March 15, of each year. The note has a repayment date of June 30, 2017.

During February 2016, the Company received a short term unsecured, non-interest bearing advance from the President of $12,000, which on April 25, 2016 was applied as the subscription proceeds upon the exercise of share purchase warrants resulting in the issuance of 240,000 common shares during the year.

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The Agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares; and 205,780 Agents Options. Each Agents Option is exercisable at $0.10 into one Common share of the Company until August 4, 2018. Shares issuance costs aggregating $54,867 were incurred. These costs included a corporate finance fee of $15,000 paid to the agent and other expenses aggregating $39,867. As at April 30, 2015, the Company had advanced the agent $12,000 towards expenses and paid the corporate finance fee of $15,000. These two amounts aggregating $27,000 were recorded as deferred financing costs at April 30, 2015.

The Company believes that the current capital resources are not sufficient to pay for continued mineral exploration and overhead expenses for the next twelve months and will need to seek additional funding, or seek joint venture partners on its project. The

Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options, warrants and loans to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

As at April 30, 2016, the primary assets of the Company comprise cash of $26,518, other receivable comprising GST recoverable of $1,752, prepaid expenses of $1,689 and its mineral property holding which is valued at $84,126. As of April 30, 2016, the Company had a working capital deficit of $59,734.

Financings and share issuances which occurred prior to the IPO noted above were as follows:

a) On December 22, 2014 the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

b) On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

c) On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

d) During the year ended April 30, 2014, the Company issued 6,580,000 common shares at $0.02 per share on April 30, 2014 for aggregate proceeds of $131,600 pursuant to a non-brokered private placement.

## CAPITAL RESOURCES

The Company's capital resources consist of its interest in the Fish property, which has been valued at $84,126 at April 30, 2016. This amount is the equivalent of the amounts recorded as exploration and evaluation assets at April 30, 2016.

## OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As of April 30, 2016, accounts payable and accrued liabilities includes $618 (April 30, 2015 - $1,663) for expenses incurred by the President on behalf of the Company, $3,000 (April 30, 2015 - $2,000) for management fees charged by a director, and $18,175 (April 30, 2015 - $19,200) for services rendered to the Company a company controlled by an officer of the Company.

During the year ended April 30, 2016 and 2015, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

a) Paid or accrued management fees of $36,000 (2015 - $49,000) to the Company President, David Ryan.

b) Paid or accrued management fees of $9,000 (2015 - $5,000) to Bernie Hoing, a Director.

c) Paid or accrued management fees of $nil (2015 - $6,000) in aggregate to Greg Hoing or a Company controlled by Greg Hoing, a Director.

d) Paid or accrued professional fees of $22,000 (2015 - $21,500) to a company controlled by Matthew Wright, the Company CFO.

e) Recorded share-based payments expense of $nil (2015 – $89,100) as a result of the changing of terms on certain warrants held by the Company President, David Ryan.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at April 30, 2016, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, interest payable and notes payable.

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to its holdings of cash. Cash, is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2016, the Company held cash of $26,518 (April 30, 2015 - $25,996) and had current liabilities of $89,693 (July 31, 2015 - $55,681). All of the Company's current liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market Risk

i) Interest Rate Risk

The Company has cash balances, and three notes payable each with a face value of $20,000. The notes are unsecured and bear interest at 10% per annum which is to be paid annually on the anniversary of the notes.. One note for $20,000 had a repayment date of June 30, 2016, which has been renegotiated to June 30, 2017. The remaining two notes are repayable upon demand. As at April 30, 2016, accrued interest on the notes outstanding totalled $2,247

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar. The earn in agreement to acquire the Fish property is denominated in US dollars. Accordingly the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes.

As at April 30, 2016, the Company held no significant financial assets or liabilities which were denominated in currencies other than the Canadian dollar.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 to the quarterly financial statements.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as previously discussed.

## SUBSEQUENT EVENTS

Subsequent to the year end, on June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. The note is repayable upon demand.

## OTHER INFORMATION

### Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

*Common Shares*

| | Number of Shares |
|---|---|
| Authorized | |
| Unlimited common shares, without par value | |
| Issued | |
| Balance at April 30, 2016 and August 18, 2016 | 14,561,935 |

*Agents Options*

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| 205,780 | $0.10 | August 4, 2018 |

*Stock Options*

No Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders.

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

*Shares held in Escrow*

Upon the completion of the IPO 3,550,001 common shares and 750,000 share purchase warrants are held pursuant to an escrow arrangement.

As the Company anticipates being an "Emerging Issuer", the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| | |
|---|---|
| On the Listing Date | 1/10 of the escrow securities |
| 6 months after the Listing Date | 1/6 of the remaining escrow securities |
| 12 months after the Listing Date | 1/5 of the remaining escrow securities |
| 18 months after the Listing Date | 1/4 of the remaining escrow securities |
| 24 months after the Listing Date | 1/3 of the remaining escrow securities |
| 30 months after the Listing Date | 1/2 of the remaining escrow securities |
| 36 months after the Listing Date | the remaining escrow securities |

This schedule of releases will result in a 10% release on the listing date with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

In April 2016, 240,000 of the 750,000 share purchase warrants that were subject to the original escrow agreement, were exercised by the President of the Company. As such 187,500 were released immediately and the remaining amount was released on the anniversary of the Listing Date. The balance of the share purchase warrants that were subject to the Escrow arrangement have expired.

As at August 18, 2016, 2,182,501 common shares and no share purchase warrants were held pursuant to the escrow arrangement.

There are no other potential share issuance obligations outstanding as of August 18, 2016.

## INVESTOR RELATIONS CONTRACT

None

## CONTRACTUAL OBLIGATIONS

None

## RISKS AND UNCERTAINTIES

### Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

### History of Losses

The Company has incurred net losses every period since inception and as of April 30, 2016, had an accumulated deficit of $442,610

### No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

### Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

### Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

### Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

### Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

## MD&A PREPARATION

This MD&A was prepared as of August 18, 2016. This MD&A should be read in conjunction the audited financial statements for the year ended April 30, 2016. This MD&A is intended to assist the reader's understanding of Midnight Star Ventures Corp. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.sedar.com.

Exhibit D

# MIDNIGHT STAR VENTURES CORP.

## FINANCIAL STATEMENTS

## FOR THE YEARS ENDED APRIL 30, 2016 AND 2015
**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Midnight Star Ventures Corp.

**Report on the financial statements**

We have audited the accompanying financial statements of Midnight Star Ventures Corp., which comprise the statements of financial position as at April 30, 2016 and 2015, and the statements of operations and comprehensive loss, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Midnight Star Ventures Corp. as at April 30, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

**Emphasis of matter**

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada | *"Morgan & Company LLP"*

August 18, 2016 | Chartered Professional Accountants

# MIDNIGHT STAR VENTURES CORP.

## STATEMENTS OF FINANCIAL POSITION
**(Expressed in Canadian Dollars)**

| | | APRIL 30 2016 | | APRIL 30 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current** | | | | |
| Cash | $ | **26,518** | $ | 25,996 |
| Amounts recoverable | | **1,752** | | 4,702 |
| Prepaid expenses | | **1,689** | | - |
| Deferred financing costs (Note 7) | | **-** | | 27,000 |
| **Total Current Assets** | | **29,959** | | 57,698 |
| **Computer Equipment** | | **981** | | 1,641 |
| **Exploration and Evaluation Assets** (Note 5) | | **84,126** | | 41,512 |
| **Total Assets** | $ | **115,066** | $ | 100,851 |
| **LIABILITIES** | | | | |
| **Current** | | | | |
| Accounts payable and accrued liabilities | $ | **47,446** | $ | 55,478 |
| Interest payable (Note 6) | | **2,247** | | 203 |
| Note payable (Note 6) | | **40,000** | | - |
| **Total Current Liabilities** | | **89,693** | | 55,681 |
| **Note Payable** (Note 6) | | **-** | | 20,000 |
| **Total Liabilities** | | **89,693** | | 75,681 |
| **EQUITY** | | | | |
| **Share Capital** (Note 7) | | **430,083** | | 256,558 |
| **Reserves** | | **17,900** | | 89,100 |
| **Deficit** | | **(422,610)** | | (320,488) |
| **Total Equity** | | **25,373** | | 25,170 |
| **Total Liabilities and Equity** | $ | **115,066** | $ | 100,851 |

The financial statements were approved and authorized for issue by the Board of Directors on August 18, 2016. They were signed on the Company's behalf by:

*"David Ryan"*
Director

*"Bernie Hoing"*
Director

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP.

## STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
**(Expressed in Canadian Dollars)**

| | YEARS ENDED JANUARY 31 | |
|---|---|---|
| | **2016** | 2015 |
| **Expenses** | | |
| Bank charges and interest | **$ 654** | $ 413 |
| Communications | **3,419** | 1,946 |
| Consulting (Note 11) | **2,100** | 6,000 |
| Depreciation | **660** | 329 |
| Interest on notes and convertible notes payable | **2,044** | 1,910 |
| Management fees (Note 11) | **45,000** | 54,000 |
| Office and miscellaneous | **2,623** | 2,955 |
| Professional fees (Note 11) | **57,459** | 62,495 |
| Promotion | **10,563** | 11,193 |
| Regulatory and filing fees | **24,581** | 6,803 |
| Rent | **12,000** | 2,500 |
| Share-based payments (Note 7) | **-** | 89,100 |
| Travel | **1,607** | 2,058 |
| | **162,710** | 241,702 |
| **Net Loss and Comprehensive Loss for the Year** | **$ (162,710)** | $ (241,702) |
| **Loss Per Share**, Basic and diluted | **$ (0.02)** | $ (0.03) |
| **Weighted Average Number of Shares Outstanding** | **13,757,692** | 9,720,010 |

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP.
## STATEMENTS OF CASH FLOWS
**(Expressed in Canadian Dollars)**

| | YEARS ENDED APRIL 30 2016 | 2015 |
|---|---|---|
| **Cash Provided By (Used In):** | | |
| **Operating Activities** | | |
| Net loss for the year | **$ (162,710)** | $ (241,702) |
| Items not involving cash: | | |
| Accrued interest | **2,044** | 1,910 |
| Depreciation | **660** | 329 |
| Share-based payments | **-** | 89,100 |
| Net changes in non-cash operating working capital items: | | |
| Amounts recoverable | **2,950** | (4,702) |
| Prepaid expenses | **(1,689)** | |
| Accounts payable and accrued liabilities | **(8,032)** | 46,134 |
| | **(166,777)** | (108,931) |
| **Financing Activities** | | |
| Deferred financing fees | | (27,000) |
| Proceeds from share issuances | **205,780** | 36,250 |
| Proceeds from exercise of warrants | **12,000** | - |
| Share issuance costs | **(27,867)** | - |
| Proceeds from notes payable | **20,000** | 20,000 |
| Proceeds from convertible notes payable | **-** | 85,000 |
| | **209,913** | 114,250 |
| **Investing Activity** | | |
| Exploration and evaluation assets | **(42,614)** | (29,539) |
| Purchase of equipment | **-** | (1,970) |
| | **(42,614)** | (31,509) |
| **Net Increase (Decrease) In Cash** | **522** | (26,190) |
| **Cash, Beginning of Year** | **25,996** | 52,186 |
| **Cash, End of Year** | **$ 26,518** | $ 25,996 |

Supplementary cash flow information (note 13)

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP
## STATEMENTS OF CHANGES IN EQUITY

## FOR THE YEARS ENDED APRIL 30, 2016 AND 2015
**(Expressed in Canadian Dollars)**

| | SHARE CAPITAL | | | | |
|---|---|---|---|---|---|
| | SHARES | AMOUNT | RESERVES | DEFICIT | TOTAL EQUITY |
| Balance April 30, 2014 | 8,580,001 | $ 133,601 | $ - | $ (78,786) | $ 54,815 |
| Shares issued on conversion of notes payable and accrued interest | 1,734,134 | 86,707 | - | - | 86,707 |
| Shares issued for cash | 600,000 | 30,000 | - | - | 30,000 |
| Shares issued on exercise of share purchase warrants | 1,250,000 | 6,250 | - | - | 6,250 |
| Share-based payments | - | - | 89,100 | - | 89,100 |
| Net loss for the year | - | - | - | (241,702) | (241,702) |
| Balance April 30, 2015 | 12,164,135 | 256,558 | 89,100 | (320,488) | 25,170 |
| Shares issued for cash | 2,057,800 | 205,780 | - | - | 205,780 |
| Shares issued as finder's fees | 100,000 | 10,000 | - | - | 10,000 |
| Agents options issued as finder's fees | - | (17,900) | 17,900 | - | - |
| Share issuance costs | - | (64,867) | - | - | (64,867) |
| Shares issued upon exercise of share purchase warrants | 240,000 | 40,512 | (28,512) | - | 12,000 |
| Transfer within reserves upon expiry of share purchase warrants | - | - | (60,588) | 60,588 | - |
| Net Loss for the year | - | - | - | (162,710) | (162,710) |
| **Balance, April 30, 2016** | **14,561,935** | **$ 430,083** | **$ 17,900** | **$ (422,610)** | **$ 25,373** |

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP.

## NOTES TO FINANCIAL STATEMENTS

## FOR THE YEARS ENDED APRIL 30, 2016 and 2015
**(Expressed in Canadian Dollars)**

### 1. NATURE OF OPERATIONS AND GOING CONCERN

a) Nature of Operations

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013 The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085-555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange, and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

b) Going Concern

These statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown in these condensed interim financial statements and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

During the year ended April 30, 2016, the Company incurred a net loss of $162,710 (year ended April 30, 2015 - $241,702) and at April 30, 2016 has an accumulated deficit of $442,610 (April 30, 2015 - $320,488). The operations of the Company have been funded by the issuance of common shares and convertible notes payable. Continued operations of the Company are dependent on the Company's ability to complete equity financings and issue additional notes payable. Management's plan in this regard is primarily to secure additional funds through future equity financings, which may be unavailable or unavailable on reasonable terms. These factors may cast significant doubt on the use of the going concern basis of accounting.

### 2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements were authorized for issue by the Board of Directors on August 18, 2016.

**2. BASIS OF PRESENTATION** (Continued)

b) Basis of Presentation

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

**Cash, Cash Equivalents**

Cash consists of cash held in an interest bearing bank account. For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes. The Company has no cash equivalents as April 30, 2016 and 2015.

**Basic and Diluted Loss per Share**

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired.

Financial assets are classified into one of four categories: Financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity investments, available-for-sale ("AFS") financial assets and loans and receivables.

The Company has classified cash and short term investments as FVTPL.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been recognized.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss.

The carrying amount of trade receivables is reduced through the use of an allowance. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in net income.

Impairment losses on loans and receivables carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

Financial liabilities within the scope of International Accounting Standards ("IAS") 39 are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial Instruments (Continued)

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and subsequently classified as other financial liabilities.

The Company's financial liabilities include accounts payable and accrued liabilities. Subsequent to initial recognition, accounts payable and accrued financial liabilities are measured at amortized cost using the effective interest method.

Financial instruments subject to fair value measurement are classified within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets, or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities which are not based on observable market data.

### Translation of Foreign Currencies

The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined and are not subsequently retranslated.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of operation in the period in which they arise.

### Share-based Payments

Equity-settled share based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense with a corresponding increase to share-based payment reserve in the financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Share-based Payments** (Continued)

The fair value determined at the grant date of equity-settled share based payments is expensed using the graded vesting method over the vesting period based on the Company's estimate of shares that will eventually vest. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

**Exploration and Evaluation Assets**

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation costs for mineral properties

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Once the technical feasibility and commercial viability of extraction of the mineral resources has been determined, the property is considered to be a property under development and is reclassified as such costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its mineral property costs. Impairment losses or write-downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

**3. SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Exploration and Evaluation Assets** (Continued)

Exploration and evaluation costs for mineral properties (Continued)

The recoverability of the amounts capitalized for the undeveloped mineral property is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, the title to its properties are in good standing.

Management's capitalization of exploration and development costs and assumptions regarding the future recoverability of such costs are subject to significant measurement uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

**Impairment of Long-lived Assets**

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment losses are recognized in net income for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Impairment of Long-lived Assets** (Continued)

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determine, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

**Computer equipment**

Computer equipment is recorded at cost and depreciated over its estimated useful life at 33% straight line per annum.

The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

**Rehabilitation Provisions**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset. The liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognition in net income.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Rehabilitation Provisions (Continued)

The Company's estimates are reviewed at each reporting date for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to net income for the period.

### Share Capital

Common shares are classified as equity. Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Costs directly identifiable with share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations in the period they are incurred.

The reserves recorded in equity on the Company's Statement of Financial Position includes Share-based Payments Reserve which is used to recognize the fair value of stock option grants prior to exercise, expiry or cancellation of and the fair value of other share-based consideration recorded at the date of issuance.

### Income Taxes

Income tax expense comprises both current and deferred tax. Current and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current income taxes are the expected taxes payable on taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

Deferred tax assets and liabilities are recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Accounting Standards Issued but Not Yet Applied***

International Financial Reporting Standard 9, Financial Instruments ("IFRS 9"), was issued in November 2009. It addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and Fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income.

International Financial Reporting Standard 15, Revenue from Contracts with Customers ("IFRS 15") replaces IAS 18 – Revenue and IAS 11 – Construction Contracts and establishes a five-step model industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Financial Reporting Standard 16, Leases ("IFRS 16") replaces IAS 17 – Leases and requires lessees to account for leases on the balance sheet by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

## 4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

## 4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

## 4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

v) Income Taxes (Continued)

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS

| | FISH CLAIMS | |
|---|---|---|
| | **APRIL 30 2016** | APRIL 30 2015 |
| **Property Acquisition Costs** | | |
| Balance, beginning of year | **$ 5,616** | 2,860 |
| Additions in the year | **9,866** | 2,756 |
| Balance, end of year | **$ 15,482** | 5,616 |
| **Deferred exploration expenditures** | | |
| Balance, beginning of year | **$ 35,896** | 9,113 |
| Additions in the year | | |
| 43-101 Report | **-** | 16,561 |
| Claim maintenance fees | **12,197** | 10,222 |
| Geological consulting | **10,179** | - |
| Assays | **10,372** | - |
| | **32,748** | 26,783 |
| Balance, end of year | **$ 68,644** | 35,896 |
| **Total balance, end of year** | **$ 84,126** | 41,512 |

Fish Claims

On August 28, 2013, the Company entered into an earn in agreement with Pengram Corporation ("Pengram") where Pengram agreed to grant to the Company an option to acquire an 80% interest in 56 unpatented lode mining claims covering approximately 1275 acres located in the Lone Mountain Mining District of Esmeralda County, Nevada, USA. Pengram has an existing option to acquire the property through an underlying agreement with Claremont Nevada Mines LLC ("Optionor").

The agreement provides that the Company can acquire an 80% interest in the claims by making staged advance royalty payments as follows:

i) $2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) $2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) $9,866 (US$7,500) on or before August 28, 2015 (paid)
iv) $12,548 (US$10,000) on or before August 28, 2016;
v) $15,685 (US$12,500) on or before August 28, 2017;
iv) $18,822 (US$15,000) on or before August 28, 2018.

Should the Company not be able to meet the obligations noted above, the Company may extend the term for an additional five years by giving notice to the Optionor. In the event the option is extended, the Company will make an advance royalty payment of $18,822 (US$15,000) on August 28, of each year of the extended term.

## 5. EXPLORATION AND EVALUATION ASSETS (Continued)

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2016, the Company incurred $9,866 (US$7,500) in advance royalty payments, $20,551 (US$15,510) on an exploration program consisting of surface sampling and assaying and also incurred $12,197 (US$9,272) on claim maintenance fees.

During the year ended April 30, 2015, the Company incurred $2,756 (US$2,500) in advance royalty payments, $16,561 (US$14,621) to complete a 43-101 report on the property and $10,222 (US$9,024) in claim maintenance fees.

During the year ended April 30, 2014, the Company incurred $2,860 (US$2,500) in advance royalty payments, and $9,113 (US$8,433) in claim maintenance fees.

## 6. NOTES PAYABLE

Note 1

On March 24, 2015, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on March 15, of each year. Interest charged on the note during the years ended April 30, 2016 and 2015 was $2,016 and $203 respectively. As at April 30, 2016, accrued interest of $2,219 (April 30, 2015 - $203) has been recorded. The note has a repayment date of June 30, 2017.

Note 2

On April 25, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on April 25 of each year. Interest charged on the note during the years ended April 30, 2016 and 2015 was $28. As at April 30, 2016, accrued interest of $28 has been recorded. The note is repayable on demand.

### 7. SHARE CAPITAL

a) Authorized

Unlimited common shares, without par value.
Unlimited preferred shares, without par value (none issued).

b) Issued

During the year ended April 30, 2016, the Company undertook the following share transactions:

On August 5, 2015 the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares with a fair value of $10,000 and 205,780 agent's options with a fair value of $17,900, as determined using the Black-Scholes stock option pricing model. Each agent option is exercisable at $0.10 into one common share of the Company until August 4, 2018. Share issuance costs aggregating $54,867 were incurred. These costs included a corporate finance fee of $15,000 paid to the agent and other expenses aggregating $39,867. As at April 30, 2015, the Company had advanced the agent $12,000 towards expenses and paid the corporate finance fee of $15,000. These two amounts aggregating $27,000 were recorded as deferred financing costs at April 30, 2015.

On April 25, 2016, the President exercised 240,000 warrants for aggregate proceeds of $12,000 and the Company issued 240,000 common shares.

During the year ended April 30, 2015, the Company undertook the following share transactions:

On December 22, 2014 the Company received notice of the exercise of all the convertible promissory notes issued in September, 2014 and on November 22, 2014. The carrying amount of the promissory notes, including accrued interest, of $86,707 was exchanged at an issue price of $0.05 per share for 1,734,134 common shares of the Company and the common shares were issued to the convertible promissory note holders.

On January 16, 2015, pursuant to a non-brokered private placement, the Company issued 600,000 common shares at $0.05 per share for aggregate proceeds of $30,000.

On January 16, 2015, the President exercised 1,250,000 warrants for aggregate proceeds of $6,250 and the Company issued 1,250,000 common shares.

**(Expressed in Canadian Dollars)**

**7. SHARE CAPITAL** (Continued)

c) Share Purchase Warrants

On October 29, 2014, the Company modified the terms of 750,000 outstanding share purchase warrants. Under the terms of the agreement, the exercise price increased from $0.01 to $0.02, and the expiry date was extended from April 25, 2015 to April 25, 2016. On January 16, 2015 the Company further modified the terms of these warrants. Under the terms of the agreement the exercise price was increased from $0.02 to $0.05 per warrant. In connection with these transactions, the Company recorded a share-based payments expense of $31,100.

On January 16, 2015, the Company modified the terms of 1,250,000 outstanding share purchase warrants. Under the terms of the agreement, the exercise price decreased from $0.01 to $0.005. In connection with the transaction, the Company recorded a share-based payments expense of $58,000.

As at April 30, 2016, no share purchase warrants were outstanding.
A summary of changes in share purchase warrants for the years ended April 30, 2016 and 2015 is presented below:

| | **YEAR ENDED APRIL 30, 2016** | | | YEAR ENDED APRIL 30, 2015 | | |
|---|---|---|---|---|---|---|
| | **NUMBER** | | **WEIGHTED AVERAGE EXERCISE PRICE** | NUMBER | | WEIGHTED AVERAGE EXERCISE PRICE |
| Balance, beginning of year | **750,000** | **$** | **0.05** | 2,000,000 | $ | 0.01 |
| Exercised | **(240,000)** | | **(0.05)** | (1,250,000) | | (0.05) |
| Expired | **(510,000)** | | **(0.05)** | - | | - |
| Balance, end of year | **-** | **$** | **-** | 750,000 | $ | 0.05 |

(Expressed in Canadian Dollars)

## 7. SHARE CAPITAL (Continued)

d) Agents options

As at April 30, 2016, agent's options were outstanding for the purchase of common shares as follows:

| NUMBER OF SHARE PURCHASE WARRANTS | EXERCISE PRICE | NUMBER EXERCISABLE AT APRIL 30 2016 | EXPIRY DATE |
|---|---|---|---|
| 205,780 | $ 0.10 | 205,780 | August 4, 2018 |

As at April 30, 2016 the agent's options outstanding have a weighted average remaining contractual life of 2.26 years.

A summary of changes in agent's options for the years ended April 30, 2016 and 2015 is presented below:

| | **YEAR ENDED APRIL 30, 2016** | | YEAR ENDED APRIL 30, 2015 | |
|---|---|---|---|---|
| | **NUMBER** | **WEIGHTED AVERAGE EXERCISE PRICE** | NUMBER | WEIGHTED AVERAGE EXERCISE PRICE |
| Balance, beginning of year | **-** | **$ -** | - | $ - |
| Issued | **205,780** | **0.10** | - | - |
| Balance, end of year | **205,780** | **$ 0.10** | - | $ - |

The fair value of the agent's options was estimated to be $17,900 using the Black-Scholes option-pricing model with the following assumptions:

| | **APRIL 30 2016** | 2015 |
|---|---|---|
| Risk free interest rate | **0.03%** | - |
| Expected life | **3 years** | - |
| Expected volatility | **175%** | - |
| Expected forfeiture | **0%** | - |
| Expected dividend yield | **0%** | - |

**7. SHARE CAPITAL** (Continued)

e) Stock options

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

Compensation costs attributable to the granting and vesting of share purchase warrants and options are measured at fair value and expensed with a corresponding increase to share-based payment reserve. Upon exercise of the share purchase warrants and options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve.

As at April 30, 2016 no stock options have been granted pursuant to the plan.

f) Shares in Escrow

Pursuant to an escrow agreement dated March 9, 2015, upon the closing of the IPO 3,550,001 common shares and 750,000 warrants held by the directors will be placed escrow. Pursuant to the agreement, upon the listing date 10% of the shares subject to the escrow agreement were released, and every 6 months thereafter 15% of the original securities taken to Escrow will be released. Upon the exercise of 240,000 share purchase warrants by the President during April 2016, an additional 240,000 shares became subject to the escrow agreement, of which 52,500 were released immediately. The balance of the share purchase warrants that were subject to the escrow arrangement expired. As at April 30, 2016, 2,715,001 common shares and no share purchase warrants remain in escrow agreement.

**8. FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

(Expressed in Canadian Dollars)

## 8. FINANCIAL INSTRUMENTS (Continued)

As at April 30, 2016 and 2015 the classification of the financial instruments, as well as their carrying values and fair values, are shown in the table below:

| | LEVEL | FAIR VALUE THROUGH PROFIT OR LOSS | OTHER FINANCIAL LIABILITIES | CARRYING VALUE | FAIR VALUE |
|---|---|---|---|---|---|
| **AS AT APRIL 30, 2016** | | | | | |
| **Financial assets** | | | | | |
| Cash | 1 | $ 26,518 | $ - | $ 26,518 | $ 26,518 |
| **Financial liabilities** | | | | | |
| Accounts payable and accrued liabilities | 1 | $ - | $ 47,446 | $ 47,446 | $ 47,446 |
| Note and interest payable | 1 | $ - | $ 42,247 | $ 42,247 | $ 42,247 |

| | LEVEL | FAIR VALUE THROUGH PROFIT OR LOSS | OTHER FINANCIAL LIABILITIES | CARRYING VALUE | FAIR VALUE |
|---|---|---|---|---|---|
| **AS AT APRIL 30, 2015** | | | | | |
| **Financial assets** | | | | | |
| Cash | 1 | $ 25,996 | $ - | $ 25,996 | $ 25,996 |
| **Financial liabilities** | | | | | |
| Accounts payable and accrued liabilities | 1 | $ - | $ 55,478 | $ 55,478 | $ 55,478 |
| Note and interest payable | 1 | $ - | $ 20,203 | $ 20,203 | $ 20,203 |

At April 30, 2016 and 2015 the carrying values of cash, accounts payable and accrued liabilities and note and interest payable, approximate their fair values due to the short-term nature of these balances.

## 9. RISK MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency, credit, interest rate and liquidity risks. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 58 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at April 30, 2016, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

b) Credit Risk

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is primary held in large Canadian financial institutions. Management believes that the credit risk concentration with respect to cash is remote.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and short-term investment is limited because the majority of the Company's cash and short-term investment balances are held by a Canadian chartered bank and the convertible notes payable are subject to a fixed interest rate.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

**9. RISK MANAGEMENT** (Continued)

e) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**10. CAPITAL MANAGEMENT**

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and exploration of mineral properties.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to manage its capital.

The property in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management considers its approach to capital management to be appropriate given the relative size of the Company. The Company is not subject to externally imposed capital requirements.

**11. RELATED PARTY TRANSACTIONS**

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

(Expressed in Canadian Dollars)

## 11. RELATED PARTY TRANSACTIONS (Continued)

Related party transactions that have not been disclosed elsewhere in the financial statements include the following:

As at April 30, 2016, accounts payable and accrued liabilities includes $618 (April 30, 2015 - $1,663) for expenses incurred by the President on behalf of the Company, $3,000 (April 30, 2015 - $2,000) for management fees charged by a director, and $18,175 (April 30, 2015 - $19,200) for services rendered to the Company a company controlled by an officer of the Company.

Amounts paid or accrued in the statements of operations for the years ended April 30, 2016 and 2015 include:

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2016** | 2015 |
| Consulting fees | **$ 2,100** | $ 6,000 |
| Management fees | **45,000** | 54,000 |
| Professional fees | **22,000** | 21,500 |
| Share-based payments | **-** | 89,100 |
| Total | **$ 69,100** | $ 170,600 |

## 12. INCOME TAXES

A reconciliation of income taxes at statutory rates of 25% (2015 – 25%) with the reported taxes follows:

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2016** | 2015 |
| Expected income tax recovery | **$ (40,700)** | **$** (60,400) |
| Effect of rate change | **-** | (8,700) |
| Non-deductible items and other | **(14,900)** | 22,600 |
| Change in unrecognized tax assets | **55,600** | 46,500 |
| Deferred income tax recovery | **$ -** | **$** - |

(Expressed in Canadian Dollars)

## 12. INCOME TAXES (Continued)

The significant components of the Company's deferred income tax assets were as follows:

| | APRIL 30 2016 | 2015 |
|---|---|---|
| Deferred income tax assets: | | |
| Non-capital losses carried forward | $ 92,100 | $ 49,500 |
| Exploration and evaluation assets | 700 | 1,600 |
| Other deductible temporary differences | 14,100 | 200 |
| | 106,900 | 51,300 |
| Tax benefits not recognized | (106,900) | (51,300) |
| Net deferred income tax assets | $ - | $ - |

The Company has available for deduction against future taxable income exploration pool costs of approximately $87,000 (2015 - $44,000) and non-capital losses carried forward of approximately $369,000 (2015 - $198,000).

The non-capital losses, if not utilized, will expire as follows:

| | |
|---|---|
| 2034 | $ 72,000 |
| 2035 | 126,000 |
| 2036 | 171,000 |
| | $ 369,000 |

The Company has not recognized deferred income tax assets as it is not probable that there will be sufficient taxable income to realize the benefits.

## 13. SUPLEMENTAL CASH FLOW INFORMATION

| | YEARS ENDED APRIL 30 2016 | 2015 |
|---|---|---|
| **Supplemental cash flow information** | | |
| Interest Paid | $ - | $ - |
| Income Tax Paid | $ - | $ - |

**(Expressed in Canadian Dollars)**

## 13. SUPLEMENTAL CASH FLOW INFORMATION (Continued)

| | YEARS ENDED APRIL 30 | | | |
|---|---|---|---|---|
| | | **2016** | | 2015 |
| **Supplementary disclosures for Non-Cash Financing and Investing Activities** | | | | |
| Fair value of common shares issued as share issue costs | **$** | **10,000** | $ | - |
| Fair value of agent's options issued | **$** | **17,900** | $ | - |
| Reallocation of deferred financing fees to share issue costs | **$** | **27,000** | $ | - |
| Reallocation of share based compensation reserve to retained earnings upon the expiry of share purchase warrants | **$** | **60,588** | $ | - |
| Reallocation of share based compensation reserve to share capital upon the exercise of share purchase warrants | **$** | **28,512** | $ | - |
| Fair value of common shares issued on conversion of convertible notes payable | **$** | **-** | $ | 85,000 |
| Fair value of common shares issued on conversion of accrued interest on convertible notes payable | **$** | **-** | $ | 1,707 |

## 14. SUBSEQUENT EVENTS

Subsequent to the year end, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22nd of each year. The note is repayable on demand.

Exhibit E

# MIDNIGHT STAR VENTURES CORP.

## FINANCIAL STATEMENTS

## FOR THE YEARS ENDED APRIL 30, 2017 AND 2016
**(Expressed in Canadian Dollars)**

MORGAN & COMPANY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Midnight Star Ventures Corp.

**Report on the financial statements**

We have audited the accompanying financial statements of Midnight Star Ventures Corp., which comprise the statements of financial position as at April 30, 2017 and 2016, and the statements of operations and comprehensive loss, cash flows and changes in (deficiency) equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Midnight Star Ventures Corp. as at April 30, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

**Emphasis of matter**

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada — *"Morgan & Company LLP"*

August 24, 2017 — Chartered Professional Accountants

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# MIDNIGHT STAR VENTURES CORP.

## STATEMENTS OF FINANCIAL POSITION
**(Expressed in Canadian Dollars)**

| | | APRIL 30 2017 | | APRIL 30 2016 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current** | | | | |
| Cash | $ | **2,526** | $ | 26,518 |
| Amounts recoverable | | **1,887** | | 1,752 |
| Prepaid expenses | | **-** | | 1,689 |
| **Total Current Assets** | | **4,413** | | 29,959 |
| **Computer Equipment** | | **321** | | 981 |
| **Exploration and Evaluation Assets** (Note 5) | | **109,871** | | 84,126 |
| **Total Assets** | $ | **114,605** | $ | 115,066 |
| **LIABILITIES** | | | | |
| **Current** | | | | |
| Accounts payable and accrued liabilities | $ | **74,850** | $ | 47,446 |
| Interest payable (Note 6) | | **10,571** | | 2,247 |
| Notes payable (Note 6) | | **140,000** | | 40,000 |
| **Total Current Liabilities** | | **225,421** | | 89,693 |
| **Total Liabilities** | | **225,421** | | 89,693 |
| **EQUITY** | | | | |
| **Share Capital** (Note 7) | | **430,083** | | 430,083 |
| **Reserves** | | **17,900** | | 17,900 |
| **Deficit** | | **(558,799)** | | (422,610) |
| **Total Equity** | | **(110,816)** | | 25,373 |
| **Total Liabilities and Equity** | $ | **114,605** | $ | 115,066 |

The financial statements were approved and authorized for issue by the Board of Directors on August 24, 2017. They were signed on the Company's behalf by:

| *"David Ryan"* | *"Bernie Hoing"* |
|---|---|
| Director | Director |

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP.

## STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
**(Expressed in Canadian Dollars)**

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2017** | 2016 |
| **Expenses** | | |
| Bank charges and interest | **$ 595** | $ 654 |
| Communications | **1,669** | 3,419 |
| Consulting (Note 11) | **900** | 2,100 |
| Depreciation | **660** | 660 |
| Interest on notes payable | **8,324** | 2,044 |
| Management fees (Note 11) | **36,000** | 45,000 |
| Office and miscellaneous | **2,364** | 2,623 |
| Professional fees (Note 11) | **56,227** | 57,459 |
| Promotion | **4,470** | 10,563 |
| Regulatory and filing fees | **12,323** | 24,581 |
| Rent | **12,000** | 12,000 |
| Travel | **657** | 1,607 |
| | **136,189** | 162,710 |
| **Net Loss and Comprehensive Loss for the Year** | **$ (136,189)** | $ (162,710) |
| **Loss Per Share**, Basic and Diluted | **$ (0.01)** | $ (0.02) |
| **Weighted Average Number of Shares Outstanding** | **14,561,935** | 13,757,692 |

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP.
## STATEMENTS OF CASH FLOWS
**(Expressed in Canadian Dollars)**

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2017** | 2016 |
| **Cash Provided By (Used In):** | | |
| **Operating Activities** | | |
| Net loss for the year | **$ (136,189)** | $ (162,710) |
| Items not involving cash: | | |
| Accrued interest | **8,324** | 2,044 |
| Depreciation | **660** | 660 |
| Net changes in non-cash operating working capital items: | | |
| Amounts recoverable | **(135)** | 2,950 |
| Prepaid expenses | **1,689** | (1,689) |
| Accounts payable and accrued liabilities | **27,404** | (8,032) |
| | **(98,247)** | (166,777) |
| **Financing Activities** | | |
| Proceeds from share issuances | **-** | 205,780 |
| Proceeds from exercise of warrants | **-** | 12,000 |
| Share issuance costs | **-** | (27,867) |
| Proceeds from notes payable | **100,000** | 20,000 |
| | **100,000** | 209,913 |
| **Investing Activity** | | |
| Exploration and evaluation assets | **(25,745)** | (42,614) |
| | **(25,745)** | (42,614) |
| **Net (Decrease) Increase in Cash** | **(23,992)** | 522 |
| **Cash, Beginning of Year** | **26,518** | 25,996 |
| **Cash, End of Year** | **$ 2,526** | $ 26,518 |

Supplementary cash flow information (note 13)

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP
## STATEMENTS OF CHANGES IN (DEFICIENCY) EQUITY

### FOR THE YEARS ENDED APRIL 30, 2017 AND 2016
**(Expressed in Canadian Dollars)**

| | SHARE CAPITAL | | | | |
|---|---|---|---|---|---|
| | **SHARES** | **AMOUNT** | **RESERVES** | **DEFICIT** | **TOTAL (DEFICIENCY) EQUITY** |
| Balance April 30, 2015 | 12,164,135 | $ 256,558 | $ 89,100 | $ (320,488) | $ 25,170 |
| Shares issued for cash | 2,057,800 | 205,780 | - | - | 205,780 |
| Shares issued as finder's fees | 100,000 | 10,000 | - | - | 10,000 |
| Agents options issued as finder's fees | - | (17,900) | 17,900 | - | - |
| Share issuance costs | - | (64,867) | - | - | (64,867) |
| Shares issued upon exercise of share purchase warrants | 240,000 | 40,512 | (28,512) | - | 12,000 |
| Transfer within reserves upon expiry of share purchase warrants | - | - | (60,588) | 60,588 | - |
| Net loss for the year | - | - | - | (162,710) | (162,710) |
| Balance, April 30, 2016 | 14,561,935 | 430,083 | 17,900 | (422,610) | 25,373 |
| Net loss for the year | - | - | - | (136,189) | (136,189) |
| **Balance April 30, 2017** | **14,561,935** | **$ 430,083** | **$ 17,900** | **$ (558,799)** | **$ (110,816)** |

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP.

## NOTES TO FINANCIAL STATEMENTS

## FOR THE YEARS ENDED APRIL 30, 2017 and 2016
**(Expressed in Canadian Dollars)**

### 1. NATURE OF OPERATIONS AND GOING CONCERN

a) Nature of Operations

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013 The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085 - 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange, and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

b) Going Concern

These statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown in these financial statements and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

During the year ended April 30, 2016, the Company incurred a net loss of $136,189 (year ended April 30, 2016 - $162,710) and at April 30, 2017 has an accumulated deficit of $558,799 (April 30, 2016 - $422,610). The operations of the Company have been funded by the issuance of common shares and promissory notes payable. Continued operations of the Company are dependent on the Company's ability to complete equity financings and issue additional notes payable. Management's plan in this regard is primarily to secure additional funds through future equity financings, which may be unavailable or unavailable on reasonable terms. These factors may cast significant doubt on the use of the going concern basis of accounting.

### 2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

**2. BASIS OF PRESENTATION** (Continued)

b) Basis of Presentation

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

**Cash, Cash Equivalents**

Cash consists of cash held in an interest bearing bank account. For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes. The Company has no cash equivalents as April 30, 2017 and 2016.

**Basic and Diluted Loss per Share**

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Basic and Diluted Loss per Share** (Continued)

Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

**Financial Instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired.

Financial assets are classified into one of four categories: Financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity investments, available-for-sale (“AFS”) financial assets and loans and receivables.

The Company has classified cash and short term investments as FVTPL.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been recognized.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of the estimated future cash flows, discounted at the financial asset’s original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss.

The carrying amount of trade receivables is reduced through the use of an allowance. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in net income.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial Instruments** (Continued)

Impairment losses on loans and receivables carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

Financial liabilities within the scope of International Accounting Standards ("IAS") 39 are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and subsequently classified as other financial liabilities.

The Company's financial liabilities include accounts payable and accrued liabilities. Subsequent to initial recognition, accounts payable and accrued financial liabilities are measured at amortized cost using the effective interest method.

Financial instruments subject to fair value measurement are classified within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets, or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities which are not based on observable market data.

**Translation of Foreign Currencies**

The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined and are not subsequently retranslated.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of operation in the period in which they arise.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Share-based Payments

Equity-settled share based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense with a corresponding increase to share-based payment reserve in the financial statements.

The fair value determined at the grant date of equity-settled share based payments is expensed using the graded vesting method over the vesting period based on the Company's estimate of shares that will eventually vest. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

### Exploration and Evaluation Assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation costs for mineral properties

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Once the technical feasibility and commercial viability of extraction of the mineral resources has been determined, the property is considered to be a property under development and is reclassified as such costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Exploration and Evaluation Assets** (Continued)

Exploration and evaluation costs for mineral properties (Continued)

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its mineral property costs. Impairment losses or write-downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

The recoverability of the amounts capitalized for the undeveloped mineral property is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, the title to its properties are in good standing.

Management's capitalization of exploration and development costs and assumptions regarding the future recoverability of such costs are subject to significant measurement uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

**Impairment of Long-lived Assets**

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Impairment of Long-lived Assets** (Continued)

Impairment losses are recognized in net income for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determine, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

**Computer equipment**

Computer equipment is recorded at cost and depreciated over its estimated useful life at 33% straight line per annum.

The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

**Rehabilitation Provisions**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset. The liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognition in net income.

**3. SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Rehabilitation Provisions** (Continued)

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

The Company's estimates are reviewed at each reporting date for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to net income for the period.

**Share Capital**

Common shares are classified as equity. Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Costs directly identifiable with share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations in the period they are incurred.

The reserves recorded in equity on the Company's Statement of Financial Position includes Share-based Payments Reserve which is used to recognize the fair value of stock option grants prior to exercise, expiry or cancellation of and the fair value of other share-based consideration recorded at the date of issuance.

**Income Taxes**

Income tax expense comprises both current and deferred tax. Current and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current income taxes are the expected taxes payable on taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

Deferred tax assets and liabilities are recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Income Taxes** (Continued)

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

***Accounting Standards Issued but Not Yet Applied***

International Financial Reporting Standard 9, Financial Instruments (“IFRS 9”), was issued in November 2009. It addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and Fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income.

International Financial Reporting Standard 15, Revenue from Contracts with Customers (“IFRS 15”) replaces IAS 18 – Revenue and IAS 11 – Construction Contracts and establishes a five-step model industry. The standard’s requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity’s ordinary activities. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Financial Reporting Standard 16, Leases (“IFRS 16”) replaces IAS 17 – Leases and requires lessees to account for leases on the balance sheet by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

## 4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, long-lived assets, including exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the recoverable amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

**4. USE OF ESTIMATES AND JUDGMENTS** (Continued)

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law.

For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the ability of the Company to continue as a going concern as discussed in Note 1.

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS

| | FISH CLAIMS | |
|---|---|---|
| | **APRIL 30 2017** | APRIL 30 2016 |
| **Property Acquisition Costs** | | |
| Balance, beginning of year | **$ 15,482** | $ 5,616 |
| Additions in the year | **13,283** | 9,866 |
| Balance, end of year | **$ 28,765** | $ 15,482 |
| **Deferred exploration expenditures** | | |
| Balance, beginning of year | **$ 68,644** | $ 35,896 |
| Additions in the year | | |
| Advances | **874** | - |
| Claim maintenance fees | **11,588** | 12,197 |
| Geological consulting | **-** | 10,179 |
| Assays | **-** | 10,372 |
| | **12,462** | 32,748 |
| Balance, end of year | **$ 81,106** | $ 68,644 |
| **Total balance, end of year** | **$ 109,871** | $ 84,126 |

Fish Claims

On August 28, 2013, the Company entered into an earn-in agreement with Pengram Corporation ("Pengram") where Pengram agreed to grant to the Company an option to acquire an 80% interest in 56 unpatented lode mining claims covering approximately 1,275 acres located in the Lone Mountain Mining District of Esmeralda County, Nevada, USA. Pengram has an existing option to acquire the property through an underlying agreement with Claremont Nevada Mines LLC ("Optionor").

On August 28, 2016, the Company entered into a New Option Agreement with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation

The agreement provides that the Company can acquire an 100% interest in the claims by making staged advance royalty payments as follows:

i) $2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) $2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) $9,866 (US$7,500) on or before August 28, 2015 (paid);
iv) $2,623 (US$2,000) on or before August 28, 2016 (paid);
v) $10,660 (US$8,000) on or before October 12, 2016 (paid);
v) $16,250 (US$12,500) on or before August 28, 2017;
iv) $19,500 (US$15,000) on or before August 28, 2018.

## 5. EXPLORATION AND EVALUATION ASSETS (Continued)

In addition to the advanced royalty payments, the Company must deliver $1,000 and either a copy of a mine plan or final feasibility study on or before August 28, 2018. If the Company cannot meet these requirements, the option may be extended for an additional five years. If the option is extended, the Company will be required make an advance royalty payment of $16,250 (US$12,500) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2017, the Company incurred $13,283 (US$10,000) in advance royalty payments and $11,588 (US$8,835) of claim maintenance fees on the property. The Company also made exploration advances of $874 (US$672).

During the year ended April 30, 2016, the Company incurred $9,866 (US$7,500) in advance royalty payments, $20,551 (US$15,510) on an exploration program consisting of surface sampling and assaying and also incurred $12,197 (US$9,272) on claim maintenance fees.

## 6. NOTES PAYABLE

Note 1

On March 24, 2015, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on March 15, of each year. Interest charged on the note during the years ended April 30, 2017 and 2016 was $1,989 and $2,016 respectively. As at April 30, 2017, accrued interest of $4,208 (April 30, 2016 - $2,219) has been recorded. The note is repayable on demand.

Note 2

On April 25, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on April 25 of each year. Interest charged on the note during the years ended April 30, 2017 and 2016 was $1,999 and $28 respectively. As at April 30, 2017, accrued interest of $2,027 (2016 - $28) has been recorded. The note is repayable on demand.

**6. NOTES PAYABLE** (Continued)

Note 3

On June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on June 22 of each year. Interest charged on the note during the year ended April 30, 2017 was $1,709. As at April 30, 2017, accrued interest of $1,709 has been recorded. The note is repayable on demand.

Note 4

On August 23, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 23 of each year. Interest charged on the note during the year ended April 30, 2017 was $1,370. As at April 30, 2017, accrued interest of $1,370 has been recorded. The note is repayable on demand.

Note 5

On October 10, 2016, the Company issued a promissory note in the amount of $30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on October 10 of each year. Interest charged on the note during the year ended April 30, 2017 was $830. As at April 30, 2017, accrued interest of $830 has been recorded. The note is repayable on demand.

Note 6

On January 16, 2017, the Company issued a promissory note in the amount of $30,000. The note is unsecured and bears interest at 5% per annum which is to be paid annually on January 16 of each year. Interest charged on the note during the year ended April 30, 2017 was $427. As at April 30, 2017, accrued interest of $427 has been recorded. The note is repayable on demand.

**7. SHARE CAPITAL**

a) Authorized

Unlimited common shares, without par value.
Unlimited preferred shares, without par value (none issued).

## 7. SHARE CAPITAL (Continued)

b) Issued

During the year ended April 30, 2017, the Company undertook no share issuance transactions.

During the year ended April 30, 2016, the Company undertook the following share transactions:

On August 5, 2015, the Company completed its Initial Public Offering ("IPO") by issuing 2,057,800 common shares at $0.10 for aggregate proceeds of $205,780. Wolverton Securities Ltd. ("The Agent") acted as Agent under the Offering. The agent received a total commission equal to $20,578, being 10% of the gross proceeds; 100,000 common shares with a fair value of $10,000 and 205,780 agent's options with a fair value of $17,900, as determined using the Black-Scholes stock option pricing model. Each agent option is exercisable at $0.10 into one common share of the Company until August 4, 2018. Share issuance costs aggregating $54,867 were incurred. These costs included a corporate finance fee of $15,000 paid to the agent and other expenses aggregating $39,867. As at April 30, 2015, the Company had advanced the agent $12,000 towards expenses and paid the corporate finance fee of $15,000. These two amounts aggregating $27,000 were recorded as deferred financing costs at April 30, 2015.

On April 25, 2016, the President exercised 240,000 warrants for aggregate proceeds of $12,000 and the Company issued 240,000 common shares.

c) Share Purchase Warrants

On October 29, 2014, the Company modified the terms of 750,000 outstanding share purchase warrants. Under the terms of the agreement, the exercise price increased from $0.01 to $0.02, and the expiry date was extended from April 25, 2015 to April 25, 2016. On January 16, 2015, the Company further modified the terms of these warrants. Under the terms of the agreement the exercise price was increased from $0.02 to $0.05 per warrant. In connection with these transactions, the Company recorded a share-based payments expense of $31,100.

On January 16, 2015, the Company modified the terms of 1,250,000 outstanding share purchase warrants. Under the terms of the agreement, the exercise price decreased from $0.01 to $0.005. In connection with the transaction, the Company recorded a share-based payments expense of $58,000.

As at April 30, 2017 and 2016, no share purchase warrants were outstanding.

A summary of changes in share purchase warrants for the years ended April 30, 2017 and 2016 is presented below:

**(Expressed in Canadian Dollars)**

**7. SHARE CAPITAL** (Continued)

c) Share Purchase Warrants (Continued)

| | **YEAR ENDED APRIL 30, 2017** | | | YEAR ENDED APRIL 30, 2016 | | |
|---|---|---|---|---|---|---|
| | **NUMBER** | | **WEIGHTED AVERAGE EXERCISE PRICE** | NUMBER | | WEIGHTED AVERAGE EXERCISE PRICE |
| Balance, beginning of year | **-** | **$** | **-** | 750,000 | $ | 0.05 |
| Exercised | **-** | | **-** | (240,000) | | (0.05) |
| Expired | **-** | | **-** | (510,000) | | (0.05) |
| Balance, end of year | **-** | **$** | **-** | - | $ | - |

d) Agents options

As at April 30, 2017, agent's options were outstanding for the purchase of common shares as follows:

| **NUMBER OF SHARE PURCHASE WARRANTS** | | **EXERCISE PRICE** | **NUMBER EXERCISABLE AT APRIL 30 2017** | **EXPIRY DATE** |
|---|---|---|---|---|
| 205,780 | $ | 0.10 | 205,780 | August 4, 2018 |

As at April 30, 2017 the agent's options outstanding have a weighted average remaining contractual life of 1.26 years.

A summary of changes in agent's options for the years ended April 30, 2017 and 2016 is presented below:

| | **YEAR ENDED APRIL 30, 2017** | | | YEAR ENDED APRIL 30, 2016 | | |
|---|---|---|---|---|---|---|
| | **NUMBER** | | **WEIGHTED AVERAGE EXERCISE PRICE** | NUMBER | | WEIGHTED AVERAGE EXERCISE PRICE |
| Balance, beginning of year | **205,780** | **$** | **0.10** | - | $ | - |
| Issued | **-** | | **-** | 205,780 | | 0.10 |
| Balance, end of year | **205,780** | **$** | **0.10** | 205,780 | $ | 1.10 |

(Expressed in Canadian Dollars)

## 7. SHARE CAPITAL (Continued)

d) Agents options (Continued)

The fair value of the agent's options was estimated to be $17,900 using the Black-Scholes option-pricing model with the following assumptions:

| | APRIL 30 | |
|---|---|---|
| | **2017** | 2016 |
| Risk free interest rate | - | **0.03%** |
| Expected life | - | **3 years** |
| Expected volatility | - | **175%** |
| Expected forfeiture | - | **0%** |
| Expected dividend yield | - | **0%** |

e) Stock options

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

Compensation costs attributable to the granting and vesting of share purchase warrants and options are measured at fair value and expensed with a corresponding increase to share-based payment reserve. Upon exercise of the share purchase warrants and options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve.

As at April 30, 2017 no stock options have been granted pursuant to the plan.

f) Shares in Escrow

Pursuant to an escrow agreement dated March 9, 2015, upon the closing of the IPO 3,550,001 common shares and 750,000 warrants held by the directors were placed escrow. Pursuant to the agreement, upon the listing date 10% of the shares subject to the escrow agreement were released, and every 6 months thereafter 15% of the original securities taken to Escrow will be released. Upon the exercise of 240,000 share purchase warrants by the President during April 2016, an additional 240,000 shares became subject to the escrow agreement, of which 52,500 were released immediately. The balance of the share purchase warrants that were subject to the escrow arrangement expired. As at April 30, 2017, 1,597,501 common shares and no share purchase warrants remain in escrow agreement.

(Expressed in Canadian Dollars)

## 8. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

As at April 30, 2017 and 2016 the classification of the financial instruments, as well as their carrying values and fair values, are shown in the table below:

| | LEVEL | FAIR VALUE THROUGH PROFIT OR LOSS | OTHER FINANCIAL LIABILITIES | CARRYING VALUE | FAIR VALUE |
|---|---|---|---|---|---|
| **AS AT APRIL 30, 2017** | | | | | |
| **Financial assets** | | | | | |
| Cash | 1 | $ 2,526 | $ - | $ 2,526 | $ 2,526 |
| **Financial liabilities** | | | | | |
| Accounts payable and accrued liabilities | 1 | $ - | $ 74,850 | $ 74,850 | $ 74,850 |
| Notes and interest payable | 1 | $ - | $ 150,571 | $ 150,571 | $ 150,571 |

| | LEVEL | FAIR VALUE THROUGH PROFIT OR LOSS | OTHER FINANCIAL LIABILITIES | CARRYING VALUE | FAIR VALUE |
|---|---|---|---|---|---|
| **AS AT APRIL 30, 2016** | | | | | |
| **Financial assets** | | | | | |
| Cash | 1 | $ 26,518 | $ - | $ 26,518 | $ 26,518 |
| **Financial liabilities** | | | | | |
| Accounts payable and accrued liabilities | 1 | $ - | $ 47,446 | $ 47,446 | $ 47,446 |
| Notes and interest payable | 1 | $ - | $ 42,247 | $ 42,247 | $ 42,247 |

At April 30, 2017 and 2016 the carrying values of cash, accounts payable and accrued liabilities and note and interest payable, approximate their fair values due to the short-term nature of these balances.

### 9. RISK MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency, credit, interest rate and liquidity risks. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 58 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at April 30, 2017, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

b) Credit Risk

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is primary held in large Canadian financial institutions. Management believes that the credit risk concentration with respect to cash is remote.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash is limited because the majority of the Company's cash is held by a Canadian chartered bank.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

## 9. RISK MANAGEMENT (Continued)

e) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## 10. CAPITAL MANAGEMENT

When managing capital, the Company’s objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and exploration of mineral properties.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management team to manage its capital.

The property in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management considers its approach to capital management to be appropriate given the relative size of the Company. The Company is not subject to externally imposed capital requirements.

## 11. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

**(Expressed in Canadian Dollars)**

## 11. RELATED PARTY TRANSACTIONS (Continued)

Related party transactions that have not been disclosed elsewhere in the financial statements include the following:

As at April 30, 2017, accounts payable and accrued liabilities include $14,400 (April 30, 2016 - $Nil) for management fees charged by the President, $Nil (April 30, 2016 - $618) for expenses incurred by the President on behalf of the Company, $Nil (April 30, 2016 - $3,000) for management fees charged by a director, and $20,265 (April 30, 2016 - $18,175) for services rendered to the Company by a company controlled by an officer of the Company.

Amounts paid or accrued in the statements of operations for the years ended April 30, 2017 and 2016 include:

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2017** | 2016 |
| Consulting fees | **$ 900** | $ 2,100 |
| Management fees | **36,000** | 45,000 |
| Professional fees | **21,700** | 22,000 |
| Total | **$ 58,600** | $ 69,100 |

## 12. INCOME TAXES

A reconciliation of income taxes at statutory rates of 26% (2016 – 26%) with the reported taxes follows:

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2017** | 2016 |
| Expected income tax recovery | **$ (35,400)** | **$** (40,700) |
| Effect of rate change | **-** | - |
| Non-deductible items and other | **(3,700)** | (14,900) |
| Change in unrecognized tax assets | **39,100** | 55,600 |
| Deferred income tax recovery | **$ -** | **$** - |

(Expressed in Canadian Dollars)

## 12. INCOME TAXES (Continued)

The significant components of the Company's deferred income tax assets were as follows:

| | APRIL 30 2017 | 2016 |
|---|---|---|
| Deferred income tax assets: | | |
| Non-capital losses carried forward | **$ 134,100** | $ 92,100 |
| Exploration and evaluation assets | **700** | 700 |
| Other deductible temporary differences | **11,200** | 14,100 |
| | **146,000** | 106,900 |
| Tax benefits not recognized | **(146,000)** | (106,900) |
| Net deferred income tax assets | **$ -** | $ - |

The Company has available for deduction against future taxable income exploration pool costs of approximately $113,000 (2016 - $87,000) and non-capital losses carried forward of approximately $516,000 (2016 - $369,000).

The non-capital losses, if not utilized, will expire as follows:

| | |
|---|---|
| 2034 | $ 72,000 |
| 2035 | 126,000 |
| 2036 | 171,000 |
| 2037 | 147,000 |
| | $ 516,000 |

The Company has not recognized deferred income tax assets as it is not probable that there will be sufficient taxable income to realize the benefits.

## 13. SUPLEMENTAL CASH FLOW INFORMATION

| | YEARS ENDED APRIL 30 2017 | 2016 |
|---|---|---|
| **Supplemental cash flow information** | | |
| Interest paid | **$ -** | $ - |
| Income tax paid | **$ -** | $ - |

# MIDNIGHT STAR VENTURES CORP.

## NOTES TO FINANCIAL STATEMENTS

## FOR THE YEARS ENDED APRIL 30, 2017 and 2016
**(Expressed in Canadian Dollars)**

### 13. SUPLEMENTAL CASH FLOW INFORMATION (Continued)

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2017** | 2016 |
| **Supplementary disclosures for Non-Cash Financing and Investing Activities** | | |
| Fair value of common shares issued as share issue costs | **$ -** | $ 10,000 |
| Fair value of agent's options issued | **$ -** | $ 17,900 |
| Reallocation of deferred financing fees to share issue costs | **$ -** | $ 27,000 |
| Reallocation of share based compensation reserve to retained earnings upon the expiry of share purchase warrants | **$ -** | $ 60,588 |
| Reallocation of share based compensation reserve to share capital upon the exercise of share purchase warrants | **$ -** | $ 28,512 |

### 14. SUBSEQUENT EVENTS

Subsequent to the year end;

a) On July 21, 2017, the Company issued a promissory note in the amount of $10,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on July 21st of each year. The note is repayable on demand.

b) On August 21, 2017, the Company issued a promissory note in the amount of $31,384 (US$23,000). The note is unsecured and bears interest at 10% per annum which is to be paid annually on August 21st of each year. The note is repayable on demand.

Exhibit F

# MIDNIGHT STAR VENTURES CORP.

## FINANCIAL STATEMENTS

## FOR THE YEARS ENDED APRIL 30, 2018 AND 2017

**(Expressed in Canadian Dollars)**

MORGAN & COMPANY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Midnight Star Ventures Corp.

**Report on the financial statements**

We have audited the accompanying financial statements of Midnight Star Ventures Corp., which comprise the statements of financial position as at April 30, 2018 and 2017, and the statements of operations and comprehensive loss, cash flows and changes in equity (deficiency) for the years then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Midnight Star Ventures Corp. as at April 30, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

**Emphasis of matter**

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada *"Morgan & Company LLP"*

June 22, 2018 Chartered Professional Accountants

## MIDNIGHT STAR VENTURES CORP.

### STATEMENTS OF FINANCIAL POSITION
**(Expressed in Canadian Dollars)**

| | | APRIL 30 2018 | | APRIL 30 2017 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current** | | | | |
| Cash | **$** | **357,328** | $ | 2,526 |
| Amounts recoverable | | **3,700** | | 1,887 |
| **Total Current Assets** | | **361,028** | | 4,413 |
| | | | | |
| **Computer Equipment** | | **-** | | 321 |
| **Exploration and Evaluation Assets** (Note 5) | | **137,486** | | 109,871 |
| | | | | |
| **Total Assets** | **$** | **498,514** | $ | 114,605 |
| | | | | |
| **LIABILITIES** | | | | |
| **Current** | | | | |
| Accounts payable and accrued liabilities | **$** | **45,762** | $ | 74,850 |
| Notes payable and accrued interest (Note 6) | | **-** | | 150,571 |
| **Total Current Liabilities** | | **45,762** | | 225,421 |
| | | | | |
| **EQUITY** | | | | |
| **Share Capital** (Note 7) | | **1,211,205** | | 430,083 |
| **Reserves** | | **10,781** | | 17,900 |
| **Deficit** | | **(769,234)** | | (558,799) |
| **Total Equity (Deficiency)** | | **452,752** | | (110,816) |
| | | | | |
| **Total Liabilities and Equity** | **$** | **498,514** | $ | 114,605 |

The financial statements were approved and authorized for issue by the Board of Directors on June 22, 2018. They were signed on the Company's behalf by:

| *"David Ryan"* | *"Bernie Hoing"* |
|---|---|
| Director | Director |

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP.

## STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
**(Expressed in Canadian Dollars)**

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2018** | 2017 |
| **Expenses** | | |
| Communications | **$ 2,060** | $ 1,669 |
| Consulting (Note 11) | **-** | 900 |
| Depreciation | **321** | 660 |
| Interest on notes payable | **5,075** | 8,324 |
| Management fees (Note 11) | **36,000** | 36,000 |
| Office and miscellaneous | **514** | 2,959 |
| Professional fees (Note 11) | **141,400** | 56,227 |
| Promotion | **-** | 4,470 |
| Regulatory and filing fees | **14,242** | 12,323 |
| Rent | **12,000** | 12,000 |
| Travel | **-** | 657 |
| | **211,612** | 136,189 |
| **Net loss before other item** | **(211,612)** | (136,189) |
| Gain on settlement of notes payable (Note 6) | **1,177** | - |
| **Net Loss and Comprehensive Loss for the Year** | **$ (210,435)** | $ (136,189) |
| **Loss Per Share**, Basic and Diluted | **$ (0.01)** | $ (0.01) |
| **Weighted Average Number of Shares Outstanding** | **20,246,547** | 14,561,935 |

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP.
## STATEMENTS OF CASH FLOWS
### (Expressed in Canadian Dollars)

| | YEARS ENDED APRIL 30 2018 | YEARS ENDED APRIL 30 2017 |
|---|---|---|
| **Cash Provided By (Used In):** | | |
| **Operating Activities** | | |
| Net loss for the year | **$ (210,435)** | $ (136,189) |
| Items not involving cash: | | |
| Accrued interest | **4,390** | 8,324 |
| Depreciation | **321** | 660 |
| Foreign exchange | **(410)** | - |
| Gain on settlement of notes payable | **(1,177)** | - |
| Net changes in non-cash operating working capital items: | | |
| Amounts recoverable | **(1,813)** | (135) |
| Prepaid expenses | **-** | 1,689 |
| Accounts payable and accrued liabilities | **32,630** | 27,404 |
| | **(176,494)** | (98,247) |
| **Financing Activities** | | |
| Proceeds from notes payable | **38,936** | 100,000 |
| Repayment of notes payable | **(17,778)** | - |
| Proceeds from issuance of shares | **581,934** | - |
| Share issue costs | **(44,181)** | - |
| | **558,911** | 100,000 |
| **Investing Activity** | | |
| Exploration and evaluation assets | **(27,615)** | (25,745) |
| **Net Increase (Decrease) In Cash** | **354,802** | (23,992) |
| **Cash, Beginning of Year** | **2,526** | 26,518 |
| **Cash, End of Year** | **$ 357,328** | $ 2,526 |

Supplementary cash flow information (note 13)

The accompanying notes are an integral part of these financial statements.

# MIDNIGHT STAR VENTURES CORP
## STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

### FOR THE YEARS ENDED APRIL 30, 2018 AND 2017
**(Expressed in Canadian Dollars)**

| | SHARE CAPITAL | | | | | |
|---|---|---|---|---|---|---|
| | SHARES | AMOUNT | RESERVES | DEFICIT | TOTAL EQUITY (DEFICIENCY) |
| Balance, May 1, 2016 | 14,561,935 | $ 430,083 | $ 17,900 | $ (422,610) | $ 25,373 |
| Net loss for the year | - | - | - | (136,189) | (136,189) |
| Balance, April 30, 2017 | 14,561,935 | 430,083 | 17,900 | (558,799) | (110,816) |
| Shares issued on settlement of notes payable | 3,499,992 | 236,250 | - | - | 236,250 |
| Shares issued for cash | 8,500,000 | 573,750 | - | - | 573,750 |
| Share issue costs | - | (44,181) | - | - | (44,181) |
| Shares issued on exercise of Agent's Options | 81,841 | 15,303 | (7,119) | - | 8,184 |
| Net loss for the year | - | - | - | (210,435) | (210,435) |
| **Balance, April 30, 2018** | **26,643,768** | **$ 1,211,205** | **$ 10,781** | **$ (769,234)** | **$ 452,752** |

The accompanying notes are an integral part of these financial statements.

### 1. NATURE OF OPERATIONS AND GOING CONCERN

a) Nature of Operations

Midnight Star Ventures Corp (the "Company") was incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085 - 555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange, and trades under the symbol "STV".

b) Going Concern

These statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown in these financial statements and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

During the year ended April 30, 2018, the Company incurred a net loss of $210,435 (2017 - $136,189) and at April 30, 2018 has an accumulated deficit of $769,234 (2017 - $558,799). The operations of the Company have been funded by the issuance of common shares and promissory notes payable. Continued operations of the Company are dependent on the Company's ability to complete equity financings and issue additional notes payable. Management's plan in this regard is primarily to secure additional funds through future equity financings, which may be unavailable or unavailable on reasonable terms. These factors may cast significant doubt on the use of the going concern basis of accounting.

### 2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

## 2. BASIS OF PRESENTATION (Continued)

b) Basis of Presentation

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

### Cash and Cash Equivalents

Cash consists of cash held in an interest bearing bank account. For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes. The Company has no cash equivalents as at April 30, 2018 and 2017.

### Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Basic and Diluted Loss per Share** (Continued)

Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

**Financial Instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired.

Financial assets are classified into one of four categories: Financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity investments, available-for-sale (“AFS”) financial assets and loans and receivables.

The Company has classified cash as FVTPL.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been recognized.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of the estimated future cash flows, discounted at the financial asset’s original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss.

The carrying amount of trade receivables is reduced through the use of an allowance. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in net income.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial Instruments** (Continued)

Impairment losses on loans and receivables carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

Financial liabilities within the scope of International Accounting Standards ("IAS") 39 are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and subsequently classified as other financial liabilities.

The Company's financial liabilities include accounts payable and accrued liabilities. Subsequent to initial recognition, accounts payable and accrued financial liabilities are measured at amortized cost using the effective interest method.

Financial instruments subject to fair value measurement are classified within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets, or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities which are not based on observable market data.

**Translation of Foreign Currencies**

The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined and are not subsequently retranslated.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of operation in the period in which they arise.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense with a corresponding increase to share-based payment reserve in the financial statements.

The fair value determined at the grant date of equity-settled share based payments is expensed using the graded vesting method over the vesting period based on the Company's estimate of shares that will eventually vest. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

### Exploration and Evaluation Assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation costs for mineral properties

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Once the technical feasibility and commercial viability of extraction of the mineral resources has been determined, the property is considered to be a property under development and is reclassified as such costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Exploration and Evaluation Assets (Continued)

Exploration and evaluation costs for mineral properties (Continued)

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its mineral property costs. Impairment losses or write-downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

The recoverability of the amounts capitalized for the undeveloped mineral property is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, the title to its properties are in good standing.

Management's capitalization of exploration and development costs and assumptions regarding the future recoverability of such costs are subject to significant measurement uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

### Impairment of Long-lived Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Impairment of Long-lived Assets** (Continued)

Impairment losses are recognized in net income for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determine, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

**Computer equipment**

Computer equipment is recorded at cost and depreciated over its estimated useful life at 33% straight line per annum.

The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

**Rehabilitation Provisions**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset. The liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognition in net income.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Rehabilitation Provisions (Continued)

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

The Company's estimates are reviewed at each reporting date for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to net income for the year.

### Share Capital

Common shares are classified as equity. Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Costs directly identifiable with share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations in the year they are incurred.

The reserves recorded in equity on the Company's Statement of Financial Position includes Share-based Payments Reserve which is used to recognize the fair value of stock option grants prior to exercise, expiry or cancellation of and the fair value of other share-based consideration recorded at the date of issuance.

### Income Taxes

Income tax expense comprises both current and deferred tax. Current and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current income taxes are the expected taxes payable on taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

Deferred tax assets and liabilities are recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Income Taxes** (Continued)

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

***Accounting Standards Issued but Not Yet Applied***

International Financial Reporting Standard 9, Financial Instruments ("IFRS 9"), was issued in November 2009. It addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and Fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income.

International Financial Reporting Standard 15, Revenue from Contracts with Customers ("IFRS 15") replaces IAS 18 – Revenue and IAS 11 – Construction Contracts and establishes a five-step model industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Financial Reporting Standard 16, Leases ("IFRS 16") replaces IAS 17 – Leases and requires lessees to account for leases on the balance sheet by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

## 4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, long-lived assets, including exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the recoverable amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.

iv) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

## 4. USE OF ESTIMATES AND JUDGMENTS (Continued)

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law.

For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the ability of the Company to continue as a going concern as discussed in Note 1.

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS

| | FISH CLAIMS | |
|---|---|---|
| | **APRIL 30 2018** | APRIL 30 2017 |
| **Property Acquisition Costs** | | |
| Balance, beginning of year | **$ 28,765** | $ 15,482 |
| Additions in the year | **15,600** | 13,283 |
| Balance, end of year | **$ 44,365** | $ 28,765 |
| **Deferred exploration expenditures** | | |
| Balance, beginning of year | **$ 81,106** | $ 68,644 |
| Additions in the year | | |
| Advances | **-** | 874 |
| Claim maintenance fees | **12,015** | 11,588 |
| | **12,015** | 12,462 |
| Balance, end of year | **$ 93,121** | $ 81,106 |
| **Total balance, end of year** | **$ 137,486** | $ 109,871 |

Fish Claims

On August 28, 2013, the Company entered into an earn-in agreement with Pengram Corporation (“Pengram”) where Pengram agreed to grant to the Company an option to acquire an 80% interest in 56 unpatented lode mining claims covering approximately 1,275 acres located in the Lone Mountain Mining District of Esmeralda County, Nevada, USA. Pengram has an existing option to acquire the property through an underlying agreement with Claremont Nevada Mines LLC (“Optionor”).

On August 28, 2016, the Company entered into a New Option Agreement with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation.

The agreement provides that the Company can acquire an 100% interest in the claims by making staged advance royalty payments as follows:

i) $2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) $2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) $9,866 (US$7,500) on or before August 28, 2015 (paid);
iv) $2,623 (US$2,000) on or before August 28, 2016 (paid);
v) $10,660 (US$8,000) on or before October 12, 2016 (paid);
v) $15,600 (US$12,500) on or before August 28, 2017 (paid)
iv) $19,260 (US$15,000) on or before August 28, 2018.

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS (Continued)

In addition to the advanced royalty payments, the Company must deliver $1,000 and either a copy of a mine plan or final feasibility study on or before August 28, 2018. If the Company cannot meet these requirements, the option may be extended for an additional five years. If the option is extended, the Company will be required make an advance royalty payment of $16,050 (US$12,500) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the year ended April 30, 2018, the Company paid claim maintenance fees of $12,015 (US$10,485) on the property.

During the year ended April 30, 2017, the Company incurred $13,283 (US$10,000) in advance royalty payments and $11,588 (US$8,835) of claim maintenance fees on the property. The Company also made exploration advances of $874 (US $672).

## 6. NOTES PAYABLE

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2018** | 2017 |
| Balance, beginning of year | **$ 150,571** | $ 42,247 |
| Additions | **38,936** | 100,000 |
| Repayments | **(18,463)** | - |
| Accrued interest | **5,075** | 8,324 |
| Foreign exchange gain | **(410)** | - |
| Settlement by share issuance (Note 7(b)(ii)) | **(174,532)** | - |
| Gain on settlement | **(1,177)** | - |
| Balance, end of year | **$ -** | $ 150,571 |

The promissory notes are unsecured, bear interest ranging from 5%-10% per annum and are repayable on demand.

**(Expressed in Canadian Dollars)**

## 7. SHARE CAPITAL

a) Authorized

Unlimited common shares, without par value.
Unlimited preferred shares, without par value (none issued).

b) Issued

During the year ended April 30, 2018, the Company:

i) Issued 8,500,000 common shares pursuant to a Private Placement Offering at a price of $0.0675 per Share for total proceeds of $573,750. Pursuant to the financing the Company paid commissions or finders fees to registered brokers of $44,181.

ii) Issued 3,499,992 common shares with a deemed price of $0.0675 and made a cash payment of $7,778 pursuant to settlement agreements entered into on September 13, 2017 and September 27, 2017, to settle notes payable and accrued interest aggregating $183,487 and accounts payable and accrued liabilities of $61,718.

iii) Issued 81,841 common shares upon the exercise of 81,841 Agent's Options at $0.10 for aggregate proceeds of $8,184. As a result of the issuance, $7,119 was transferred from reserves to share capital.

During the year ended April 30, 2017, the Company undertook no share issuance transactions.

c) Agent's options

As at April 30, 2018, agent's options were outstanding for the purchase of common shares as follows:

| NUMBER OF SHARE AGENTS OPTIONS | EXERCISE PRICE | NUMBER EXERCISABLE AT APRIL 30 2018 | EXPIRY DATE |
|---|---|---|---|
| 123,939 | $ 0.10 | 123,939 | August 4, 2018 |

**(Expressed in Canadian Dollars)**

## 7. SHARE CAPITAL (Continued)

c) Agents options

As at April 30, 2018 the agent's options outstanding have a weighted average remaining contractual life of 0.26 years.

A summary of changes in agent's options for the years ended April 30, 2018 and 2017 is presented below:

| | **YEAR ENDED APRIL 30, 2018** | | | YEAR ENDED APRIL 30, 2017 | | |
|---|---|---|---|---|---|---|
| | **NUMBER** | | **WEIGHTED AVERAGE EXERCISE PRICE** | NUMBER | | WEIGHTED AVERAGE EXERCISE PRICE |
| Balance, beginning of year | **205,780** | **$** | **0.10** | 205,780 | $ | 0.10 |
| Exercised | **(81,841)** | | **(0.10)** | - | | |
| Balance, end of year | **123,939** | **$** | **0.10** | 205,780 | $ | 0.10 |

d) Stock options

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

Compensation costs attributable to the granting and vesting of share purchase warrants and options are measured at fair value and expensed with a corresponding increase to share-based payment reserve. Upon exercise of the share purchase warrants and options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve.

As at April 30, 2018 no stock options have been granted pursuant to the plan.

e) Shares in Escrow

Pursuant to an escrow agreement dated March 9, 2015, 3,550,001 common shares and 750,000 warrants held by the directors were placed in escrow.

(Expressed in Canadian Dollars)

## 7. SHARE CAPITAL (Continued)

f) Shares in Escrow (Continued)

Pursuant to the agreement, upon the listing date, 10% of the shares subject to the escrow agreement were released, and every 6 months thereafter 15% of the original securities taken to Escrow will be released. Upon the exercise of 240,000 share purchase warrants by the President during April 2016, an additional 240,000 shares became subject to the escrow agreement, of which 52,500 were released immediately. The balance of the share purchase warrants that were subject to the escrow arrangement expired. As at April 30, 2018, 532,501 common shares and no share purchase warrants remain in escrow agreement.

## 8. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

As at April 30, 2018 and 2017 the classification of the financial instruments, as well as their carrying values and fair values, are shown in the table below:

| | LEVEL | FAIR VALUE THROUGH PROFIT OR LOSS | OTHER FINANCIAL LIABILITIES | CARRYING VALUE | FAIR VALUE |
|---|---|---|---|---|---|
| **AS AT APRIL 30, 2018** | | | | | |
| **Financial assets** | | | | | |
| Cash | 1 | $ 357,328 | $ - | $ 357,328 | $ 357,328 |
| **Financial liabilities** | | | | | |
| Accounts payable and accrued liabilities | 1 | $ - | $ 45,762 | $ 45,762 | $ 45,762 |

**(Expressed in Canadian Dollars)**

## 8. FINANCIAL INSTRUMENTS (Continued)

| | LEVEL | FAIR VALUE THROUGH PROFIT OR LOSS | OTHER FINANCIAL LIABILITIES | CARRYING VALUE | FAIR VALUE |
|---|---|---|---|---|---|
| **AS AT APRIL 30, 2017** | | | | | |
| **Financial assets** | | | | | |
| Cash | 1 | $ 2,526 | $ - | $ 2,526 | $ 2,526 |
| **Financial liabilities** | | | | | |
| Accounts payable and accrued liabilities | 1 | $ - | $ 74,850 | $ 74,850 | $ 74,850 |
| Notes and interest payable | 1 | $ - | $ 150,571 | $ 150,571 | $ 150,571 |

At April 30, 2018 and 2017 the carrying values of cash, accounts payable and accrued liabilities and notes and interest payable, approximate their fair values due to the short-term nature of these balances.

## 9. RISK MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency, credit, interest rate and liquidity risks. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 58 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at April 30, 2018, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

## 9. RISK MANAGEMENT (Continued)

b) Credit Risk

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is primary held in large Canadian financial institutions. Management believes that the credit risk concentration with respect to cash is remote.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash is limited because the majority of the Company's cash is held by a Canadian chartered bank.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

e) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## 10. CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and exploration of mineral properties.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to manage its capital.

(Expressed in Canadian Dollars)

## 10. CAPITAL MANAGEMENT (Continued)

The property in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management considers its approach to capital management to be appropriate given the relative size of the Company. The Company is not subject to externally imposed capital requirements.

## 11. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Related party transactions that have not been disclosed elsewhere in the financial statements include the following:

As at April 30, 2018, accounts payable and accrued liabilities include $3,150 (2017 - $Nil) for management fees charged by a company controlled by the President, $Nil (2017 - $14,400) for management fees charged directly by the Company President, $Nil (2017 - $618) for expenses incurred by the President on behalf of the Company, and $4,000 (2017 - $20,265) for services rendered to the Company by a company controlled by an officer of the Company.

Amounts paid or accrued in the statements of operations for the years ended April 30, 2018 and 2017 include:

| | YEARS ENDED APRIL 30 | |
|---|---|---|
| | **2018** | 2017 |
| Consulting fees | **$ -** | $ 900 |
| Management fees | **36,000** | 36,000 |
| Professional fees | **23,500** | 21,700 |
| Total | **$ 59,500** | $ 58,600 |

## MIDNIGHT STAR VENTURES CORP.

### NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED APRIL 30, 2018 and 2017
**(Expressed in Canadian Dollars)**

### 12. INCOME TAXES

A reconciliation of income taxes at statutory rates of 26% (2017 – 26%) with the reported taxes follows:

| | YEARS ENDED APRIL 30 2018 | 2017 |
|---|---|---|
| Expected income tax recovery | **$ (55,400)** | $ (35,400) |
| Effect of rate change | **(7,000)** | - |
| Non-deductible items and other | **(10,500)** | (3,700) |
| Change in unrecognized tax assets | **72,900** | 39,100 |
| Deferred income tax recovery | **$ -** | $ - |

The significant components of the Company's deferred income tax assets were as follows:

| | APRIL 30 2018 | 2017 |
|---|---|---|
| Deferred income tax assets: | | |
| Non-capital losses carried forward | **$ 201,400** | $ 134,100 |
| Exploration and evaluation assets | **(200)** | 700 |
| Other deductible temporary differences | **17,800** | 11,200 |
| | **219,000** | 146,000 |
| Tax benefits not recognized | **(219,000)** | (146,000) |
| Net deferred income tax assets | **$ -** | $ - |

The Company has available for deduction against future taxable income exploration pool costs of approximately $137,000 (2017 - $113,000) and non-capital losses carried forward of approximately $746,000 (2017 - $516,000).

The non-capital losses, if not utilized, will expire as follows:

| | |
|---|---|
| 2034 | $ 72,000 |
| 2035 | 125,000 |
| 2036 | 170,000 |
| 2037 | 146,000 |
| 2038 | 233,000 |
| | $ 746,000 |

The Company has not recognized deferred income tax assets as it is not probable that there will be sufficient taxable income to realize the benefits.

**(Expressed in Canadian Dollars)**

## 13. SUPLEMENTAL CASH FLOW INFORMATION

| | YEARS ENDED APRIL 30 | | | |
|---|---|---|---|---|
| | | **2018** | | 2017 |
| **Supplemental cash flow information** | | | | |
| Interest paid | **$** | **685** | $ | - |
| Income tax paid | **$** | **-** | $ | - |
| **Supplementary disclosures for Non-Cash Financing and Investing Activities** | | | | |
| Fair value of common shares issued on settlement of notes payable and accrued interest | **$** | **174,532** | $ | - |
| Fair value of shares issued on settlement of accounts payable and accrued liabilities | **$** | **61,718** | $ | - |
| Reallocation of share based compensation reserve to share capital upon the exercise of Agents Options | **$** | **7,119** | $ | - |

## 14. PROPOSED TRANSACTION

On April 19, 2018, the Company entered into a Share Purchase Agreement (The “SPA”) with BioHarvest Ltd. (“BioHarvest”) whereby, subject to shareholder and regulatory approval, the Company will acquire a 100% interest in Dolarin Ltd. (“Dolarin”), a controlled subsidiary of BioHarvest.

Pursuant to the agreement the Company will issue common shares to BioHarvest equal to 50% of the current issued and outstanding share capital of the Company. As a result of the agreement Midnight will become the sole shareholder of Dolarin, and BioHarvest will control the Company. The completion of this transaction will constitute a Reverse Takeover of the Company by Dolarin.

As a condition of the Transaction a Financing will be conducted by the Company to raise a minimum of $3,300,000 by issuing up to 22,000,000 Units at a subscription price of $0.15 per Unit. Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant is exercisable into one common share of the Resulting Issuer at an exercise price of $0.23 for a period of 24 months following the closing of the Transaction. Agents were retained for the Financing. The Agents will receive a cash commission of 5% of the gross proceeds and broker’s warrants equivalent to 5% of the number of Units issued. Each broker’s warrant is exercisable into one common share of the Company at $0.23 for a period of 24 months following closing.

**14. PROPOSED TRANSACTION** (Continued)

As compensation for brokering the transaction the Company will pay $109,395 (US$85,000) and issue common shares equivalent to 3% of the number of shares issued to BioHarvest to an unrelated 3rd party.

The Transaction also provides for the Company to adopt a Stock Option plan whereby Employee Stock Option Plan ("ESOP") shares shall constitute 10% of the issued and outstanding share capital of the Company. Such stock options shall be granted immediately upon closing and vest over a 2-year period on a quarterly basis to employees of Dolarin.

On April 19, 2018, BioHarvest and Dolarin entered into a Licence Agreement, which has an effective date of the closing of the Transaction. Pursuant to the licence agreement Dolarin shall acquire certain worldwide, non-transferable, royalty bearing licences in perpetuity from BioHarvest for the use of BioHarvest's biotechnology for the production and sale of cannabis products for the medical and recreational markets.

Dolarin shall acquire the licences for the following consideration:

a) The issuance of 900,000 common shares of Dolarin to BioHarvest.
b) The payment of $205,920 (US$160,000) in 16 equal monthly payments of $12,870 (US$10,000) commencing on the effective date.
c) The payment to BioHarvest of a milestone payment comprising $1,081,080 (US$840,000) upon the commencement of construction of the first manufacturing facility for relevant licenced product.

On April 19, 2018, BioHarvest and Dolarin also entered into a Services Agreement with an effective date of the closing of the Transaction. Pursuant to the Servicing Agreement Dolarin will contract BioHarvest to perform certain limited research, development and commercialization of BioHarvest's technology for the field of cannabis including the equipment, materials, facilities and personnel. The initial period of the agreement shall be for 16 months, from closing of the transaction at a budgeted cost of $1,979,406 (US$1,538,000). Further expenditures may be required if the objectives of the research are not met during the initial period.

Under the terms of the transaction, the Board of Directors or the Resultant Issuer will consist of six persons three of whom shall be nominated by BioHarvest.

Subsequent to year-end, the Company made a payment to BioHarvest of $129,436 (US$ - 100,105) as an advance relating to the proposed transaction.

**Exhibit G**

# DOLARIN LTD.

## FINANCIAL STATEMENTS

## FOR PERIOD FROM INCEPTION (FEBUARY 26, 2018) TO APRIL 30, 2018

**(Expressed in US Dollars)**

**Matthew G Wright CPA.**
(Chartered Professional Accountant)
(an incorporated professional)
#701-137 West 17th Street, North Vancouver BC., V7M 1V5
Tel (604) 988 4838 Fax (604)-988-4804

## NOTICE TO READER

On the basis of information prepared by management I have compiled the statement of financial position of Dolarin Ltd. as of April 30, 2018, the statement of operations comprehensive loss for the period from inception (February 26, 2018) to April 30, 2018, the statement of equity for the period from inception (February 26, 2018) to April 30, 2018 and the statement of cash flows for the period from inception (February 26, 2018) to April 30, 2018.

I have not performed an audit or review engagement in respect of these financial statements and accordingly express no opinion thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

"Matthew G. Wright"

North Vancouver, Canada
July 6, 2018

Chartered Professional Accountant

# DOLARIN LTD.

## STATEMENT OF FINANCIAL POSITION
**(Expressed in US Dollars)**
**(Unaudited – See Notice to Reader)**

| | | APRIL 30 2018 |
|---|---|---|
| **ASSETS** | | |
| **Current** | | |
| Cash | **$** | - |
| **Total Current Assets** | | - |
| **Total Assets** | **$** | - |
| **LIABILITIES** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | **$** | - |
| **Total Current Liabilities** | | - |
| **Total Liabilities** | | - |
| **EQUITY** | | |
| **Share Capital** (Note 7) | | **1,000** |
| **Contributed Surplus** | | **101** |
| **Deficit** | | **(1,101)** |
| **Total Equity** | | **-** |
| **Total Liabilities and Equity** | **$** | **-** |

The financial statements were approved and authorized for issue by the Board of Directors on July 6, 2018. They were signed on the Company's behalf by:

| | |
|---|---|
| *"Zaki Rakib"* | *"Viviene Rakib"* |
| Director | Director |

The accompanying notes are an integral part of these financial statements.

# DOLARIN LTD.

## STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
**(Expressed in US Dollars)**
**(Unaudited – See Notice to Reader)**

| | PERIOD FROM INCEPTION (FEBRUARY 26, 2018) to APRIL 30, 2018 |
|---|---|
| **Expenses** | |
| Professional fees | $ 1,101 |
| | 1,101 |
| **Net Loss and Comprehensive Loss for the Period** | $ 1,101 |
| **Loss per Share,** Basic and Diluted | (0.01) |
| **Weighted Average Number of Shares Outstanding** | 100,000 |

The accompanying notes are an integral part of these financial statements.

# DOLARIN LTD
## STATEMENT OF CASH FLOWS
**(Expressed in US Dollars)**
**(Unaudited – See Notice to Reader)**

| | PERIOD FROM INCEPTION (FEBRUARY 26, 2018) to APRIL 30, 2018 |
|---|---|
| **Cash Provided by (Used in)** | |
| **Operating Activities** | |
| Net loss for the period | **$ (1,101)** |
| Items not involving cash | |
| Issuance of shares in settlement of legal fees | **1,101** |
| | **-** |
| **Net Increase (Decrease) in Cash** | **-** |
| **Cash, Beginning of Period** | **-** |
| **Cash, End of Period** | **$ -** |

The accompanying notes are an integral part of these financial statements.

# DOLARIN LTD
## STATEMENT OF CHANGES IN (DEFICIENCY) EQUITY

### FOR THE PERIOD FROM INCEPTION (FEBRUARY 26, 2018) TO APRIL 30, 2018
**(Expressed in US Dollars)**
**(Unaudited – See Notice to Reader)**

| | SHARE CAPITAL | | CONTRIBUTED | | TOTAL (DEFICIENCY) |
|---|---|---|---|---|---|
| | NUMBER | AMOUNT | SURPLUS | DEFICIT | (EQUITY) |
| Balance at inception | - | $ - | $ - | $ - | $ - |
| Issuance of shares for incorporation costs | 100,000 | 1,000 | 101 | - | 1,101 |
| Net loss for the period | - | - | - | (1,101) | (1,101) |
| **Balance April 30, 2018** | **100,000** | **$ 1,000** | **$ 101** | **$ (1,101)** | **$ -** |

The accompanying notes are an integral part of these financial statements.

# DOLARIN LTD.

## NOTES TO FINANCIAL STATEMENTS

## FOR THE PERIOD ENDED APRIL 30, 2018
**(Expressed in US Dollars)**
**(Unaudited – See Notice to Reader)**

### 1. NATURE OF OPERATIONS AND GOING CONCERN

a) Nature of Operations

Dolarin Ltd. (the "Company"), an Israeli Company was originally incorporated on February 26, 2018 under the laws of the State of Israel, is a fully owned subsidiary of Bio Harvest Ltd, ("Bioharvest") an Israeli company that is engaged in research and development in the food industry.

On April 19, 2018, Bioharvest entered into a Share Purchase Agreement (The "SPA") with Midnight Star Ventures Corp ("Midnight) whereby, subject to shareholder and regulatory approval, Midnight shall acquire a 100% interest of Dolarin Ltd. In consideration Midnight shall issue to Bioharvest common shares equal to 50% of the current issued and outstanding shares of Midnight. As a result of the agreement Midnight will become the sole shareholder of Dolarin, and BioHarvest will control Midnight. The completion of this transaction will constitute a Reverse Takeover ("RTO") of Midnight by Dolarin. (See Note 10 – "Proposed Transaction")

On April 19, 2018, BioHarvest and Dolarin entered into a Licence Agreement, which has an effective date of the closing of the RTO Transaction. Pursuant to the licence agreement Dolarin shall acquire certain worldwide, non-transferable, royalty bearing licences in perpetuity from BioHarvest for the use of BioHarvest's biotechnology for the production and sale of cannabis products for the medical and recreational markets.

On April 19, 2018, BioHarvest and Dolarin also entered into a Services Agreement with an effective date of the closing of the RTO Transaction. Pursuant to the Servicing Agreement Dolarin will contract BioHarvest to perform certain limited research, development and commercialization of BioHarvest's technology for the field of cannabis including the equipment, materials, facilities and personnel. The initial period of the agreement shall be for 16 months, from closing of the transaction.

b) Going Concern

These statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown in these financial statements and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

During the period from inception (February 26, 2018) to April 30, 2018, the Company incurred a net loss of $1,101 and at April 30, 2018 has an accumulated deficit of $1,101. The operations of the Company have been funded by the issuance of ordinary shares. Continued operations of the Company are dependent on the Company's ability to complete equity financings or obtain external funding from third parties.

### 1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

b) Going Concern (Continued)

Management's plan in this regard is primarily to secure additional funds through future equity financings, which may be unavailable or unavailable on reasonable terms. These factors may cast significant doubt on the use of the going concern basis of accounting.

### 2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") with the exception of certain disclosures with respect to Income Taxes.

b) Basis of Presentation

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the US dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

**Cash, Cash Equivalents**

Cash consists of cash held in an interest bearing bank account. For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes. The Company has no cash or cash equivalents as April 30, 2018.

**Basic and Diluted Loss per Share**

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method.

Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

**Financial instruments**

Upon initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL.

Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated, and instead the hybrid financial instrument as a whole is assessed for classification. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (loss). This election is made on an investment-by-investment basis.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial instruments** (Continued)

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to initial recognition and how changes in value are recorded. The following accounting policies apply to the subsequent measurement of financial assets.

a) Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

b) Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

c) Financial assets at FVOCI - These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of the equity investment are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

Financial liabilities are designated as either fair value through profit or loss, or other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Other financial liabilities are carried on the statement of financial position at amortized cost.

An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Derivative contracts are recognized at fair value on initial recognition. Subsequently, derivatives are remeasured at their fair value. The method of recognizing any resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged:

.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Financial instruments** (Continued)

a) Changes in the fair values of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair values of the hedged assets or liabilities that are attributable to the hedged risk

b) The effective portions of changes in the fair values of derivatives that are designated and qualify as cash-flow hedges are recognized in equity. The gain or loss relating to any ineffective portion is recognized immediately in profit or loss.

c) Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in profit or loss.

Amounts accumulated in the hedge reserve are recycled in the statement of loss in the periods when the hedged items will affect profit or loss (for instance when the forecast sale that is hedged takes place).

If a forecast transaction that is hedged results in the recognition of a non-financial asset or a liability, the gains and losses previously deferred in the hedge reserve are included in the initial measurement of the cost of the asset or liability.

Financial instruments subject to fair value measurement are classified within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets, or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities which are not based on observable market data.

**Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Intangible Assets** (Continued)

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**Share Capital**

Common shares are classified as equity. Proceeds from unit placements are allocated between shares and warrants issued using the relative fair value method. Costs directly identifiable with share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations in the period they are incurred

The reserves recorded in equity on the Company's Statement of Financial Position include Contributed Surplus which is used to recognize the excess of proceeds received over the par value of the shares issued.

***Accounting Standards Issued but Not Yet Applied***

International Financial Reporting Standard 16, Leases ("IFRS 16") replaces IAS 17 – Leases and requires lessees to account for leases on the balance sheet by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

### 4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

## 4. USE OF ESTIMATES AND JUDGMENTS (Continued)

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Impairment

At each reporting period, long-lived assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the recoverable amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

ii) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law.

For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

iii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the ability of the Company to continue as a going concern as discussed in Note 1.

### 5. SHARE CAPITAL

a) Authorized

10,000,000 ordinary shares, with par value of $0.01.

b) Issued

The Company issued upon incorporation 100,000 ordinary shares with no par value in settlement of the incorporation costs of the Company which aggregated $1,101.

On April 29, 2018, the Company reorganized its capital structure such that the authorized share capital became 10,000,000 ordinary shares of $0.01 par value. The Company also retrospectively amended the issued share capital such that all issued shares have a par value of $0.01.

As a result of the above reorganization the share capital has been restated since inception to reflect the change.

### 6. RISK MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency and liquidity risks. Where material, these risks are reviewed and monitored by the Board of Directors.

As at April 30, 2018, due to the inactive nature of the Company the Board of Directors has assessed the current financial and currency risks to be minimal.

### 7. CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the Company's operations.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to manage its capital.

Management considers its approach to capital management to be appropriate given the relative size of the Company. The Company is not subject to externally imposed capital requirements.

**(Expressed in US Dollars)**

## 8. RELATED PARTY TRANSACTIONS

Related party transactions were incurred in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

The related party transaction that occurred during the period from inception (February 26, 2018) to April 30, 2018 consisted of the settlement of $1,101 of incorporation costs by the issuance of 100,000 ordinary shares to Bioharvest, the parent Company.

## 9. INCOME TAXES

A reconciliation of income taxes at statutory rates of 23% with the reported taxes follows:

| | PERIOD FROM INCEPTION (FEBRUARY 26, 2018) to APRIL 30, 2018 |
|---|---|
| Expected income tax recovery | $ (253) |
| Non-deductible items and other | 253 |
| Deferred income tax recovery | $ - |

The significant components of the Company's deferred income tax assets were as follows:

| | APRIL 30, 2018 |
|---|---|
| Deferred income tax assets: | |
| Non-capital losses carried forward | $ - |
| Net deferred income tax assets | $ - |

## 10. PROPOSED TRANSACTION

On April 19, 2018, Bioharvest entered into a Share Purchase Agreement (The “SPA”) with Midnight Star Ventures Corp (“Midnight) whereby, subject to shareholder and regulatory approval, Midnight shall acquire a 100% interest of Dolarin Ltd. .

### 10. PROPOSED TRANSACTION (Continued)

In consideration Midnight shall issue to Bioharvest common shares equal to 100% of the current issued and outstanding shares of Midnight, such that Bioharvest will hold 50% of Midnights issued and outstanding shares subsequent to the issuance.

As a result of the agreement Midnight will become the sole shareholder of Dolarin, and BioHarvest will control Midnight. The completion of this transaction will constitute a Reverse Takeover ("RTO") of Midnight by Dolarin.

As a condition of the Transaction Midnight is required to have a Net Cash Amount of $2,000,000 at closing. Accordingly a Financing will be conducted by Midnight to raise up to $2,569,690 (Cdn$3,300,000) by issuing up to 22,000,000 Units at a subscription price of $0.1168 (Cdn$0.15) per Unit. Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant is exercisable into one common share of the Resulting Issuer at an exercise price of $0.179 (Cdn$0.23) for a period of 24 months following the closing of the Transaction. Agents were retained for the Financing.

The Agents will receive a cash commission of 5% of the gross proceeds and broker's warrants equivalent to 5% of the number of Units issued.

Each broker's warrant is exercisable into one common share of the Company at $0.179 (Cdn$0.23) for a period of 24 months following closing.

As compensation for brokering the transaction the Midnight will pay $85,000 and issue common shares equivalent to 3% of the number of shares issued to BioHarvest to an unrelated 3rd party.

The Transaction also provides for the Resultant issuer to adopt a Stock Option plan whereby Employee Stock Option Plan ("ESOP") shares shall constitute 10% of the issued and outstanding share capital of the Company. Such stock options shall be granted immediately upon closing and vest over a 2-year period on a quarterly basis to employees of Dolarin.

On April 19, 2018, BioHarvest and Dolarin entered into a Licence Agreement, which has an effective date of the closing of the RTO Transaction. Pursuant to the licence agreement Dolarin shall acquire certain worldwide, non-transferable, royalty bearing licences in perpetuity from BioHarvest for the use of BioHarvest's biotechnology for the production and sale of cannabis products for the medical and recreational markets.

Dolarin shall acquire the licences for the following consideration:

a) The issuance of 900,000 common shares of Dolarin to BioHarvest.
b) The payment of $160,000 in 16 equal monthly payments of $10,000 commencing on the effective date.

## 10. PROPOSED TRANSACTION (Continued)

c) The payment to BioHarvest of a milestone payment comprising $840,000 upon the commencement of construction of the first manufacturing facility for relevant licenced product

On April 19, 2018, BioHarvest and Dolarin also entered into a Services Agreement with an effective date of the closing of the Transaction. Pursuant to the Servicing Agreement Dolarin will contract BioHarvest to perform certain limited research, development and commercialization of BioHarvest's technology for the field of cannabis including use of Bioharvest's equipment, materials, facilities and personnel. The initial period of the agreement shall be for 16 months, from closing of the transaction at a budgeted cost of $1,538,000. Further expenditures may be required if the objectives of the research are not met during the initial period.

Under the terms of the transaction, the Board of Directors or the Resultant Issuer will consist of six persons three of whom shall be nominated by BioHarvest.

Subsequent to April 30, 2018, Midnight made a payment to BioHarvest of $100,105 as an advance relating to the proposed transaction.

## MIDNIGHT STAR VENTURES CORP

## UNAUDTED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
**(Expressed in Canadian dollars unless otherwise stated)**

| | **Dolarin Ltd 30-Apr-18** | **Midnight Star Ventures Corp. 30-Apr-18** | **Note** | **Pro Forma Adjustments** | **Pro Forma Consolidation 30-Apr-18** |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | - | 357,328 | 3(b) | 3,300,000 | 3,162,933 |
| | | | 3(b) | (165,000) | |
| | | | 3(h) | (220,000) | |
| | | | 3(j) | (109,395) | |
| Receivables | - | 3,700 | | - | 3,700 |
| Total Current Assets | - | 361,028 | | 2,805,605 | 3,166,633 |
| Exploration assets | - | 137,486 | | - | 137,486 |
| Goodwill | - | - | 3(g)(iii) | 2,501,624 | 2,501,624 |
| Licence | - | - | 3(f) | 5,729,290 | 5,729,290 |
| **Total Assets** | **-** | **498,514** | | **11,036,519** | **11,535,033** |
| **Liabilities** | | | | | |
| Accounts payable and accrued liabilities | - | 45,762 | 3(f) | 154,440 | 200,202 |
| Total Current Liabilities | - | 45,762 | | 154,440 | 200,202 |
| Licence payable | - | - | 3(f) | 51,480 | 51,480 |
| **Total Liabilities** | **-** | **45,762** | | **205,920** | **251,682** |
| **Equity** | | | | | |
| Share capital | 1,266 | 1,211,205 | 3(g)(i) | (1,211,205) | 10,924,407 |
| | | | 3(b) | 2,282,994 | |
| | | | 3(f) | 5,523,370 | |
| | | | 3(g)(ii) | 2,951,076 | |
| | | | 3(j) | 165,701 | |
| Contributed Surplus | 128 | - | | - | 128 |
| Share-based payment reserve | - | | 3(i) | 364,100 | 364,100 |
| Agents option reserve | - | 10,781 | 3(g)(i) | (10,781) | 3,300 |
| | | | 3(g)(ii) | 3,300 | |
| Warrant reserve | - | - | 3(b) | 808,806 | 852,006 |
| | | | 3(b) | 43,200 | |
| Deficit | (1,394) | (769,234) | 3(g)(i) | 769,234 | (860,590) |
| | | | 3(h) | (220,000) | |
| | | | 3(i) | (364,100) | |
| | | | 3(j) | (275,096) | |
| **Total Equity** | **-** | **452,752** | | **10,830,599** | **11,283,351** |
| **Total Liabilities and Equity** | **-** | **498,514** | | **11,036,519** | **11,535,033** |

## 1. Basis of Presentation

The unaudited pro forma consolidated statement of financial position has been prepared to give effect to the proposed transaction (The "Transaction") as described in Note 2 as if it occurred on April 30, 2018 and has been prepared from information derived from, and should be read in conjunction with, the following historical information which was prepared in accordance with International Financial Reporting Standards ("IFRS")

i) the unaudited financial statements of Dolarin Limited ("Dolarin" or the "Company") as at April 30, 2018.

ii) the audited financial statements of Midnight Star Ventures Corp ("Midnight") as at April 30, 2018.

An unaudited pro forma consolidated statement of operations and comprehensive loss was not prepared on the basis that the Dolarin had no operations, and a pro forma statement of operations and comprehensive loss would be substantially the same as that prepared by Midnight in its separate financial statements included elsewhere in this Filing Statement.

This unaudited pro forma consolidated statement of financial position has been compiled using the significant accounting policies as set out in the unaudited financial statements of Dolarin as at April 30, 2018 (which are incorporated by reference into this document) and should be read in conjunction with the financial statements and notes. Management of Dolarin have reclassified certain line items from Midnight's financial statements in an attempt to conform to the presentation of the Company's financial statements. It is management's opinion that this unaudited pro forma consolidated statement of financial position includes all the adjustments necessary for the fair presentation of the transaction described in Notes 2 and 3 in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("ISAB").

The unaudited pro forma consolidated statement of financial position is intended to reflect the financial position of the Resultant Issuer had the proposed transaction been effected on the date indicated. Further, the unaudited pro forma financial information is not necessarily indicative of the results of operations that may be obtained in the future. The unaudited pro forma consolidated financial statement has been prepared in Canadian dollars and assumes the private placement will be fully subscribed. Financial transactions to be settled in currencies other than the Canadian Dollar have been translated into Canadian Dollars at the exchange rate applicable for April 30, 2018.

## 2. Transaction

i) Reverse Takeover

On April 19, 2018 Bio Harvest Ltd. ("Bioharvest") and Midnight entered into an agreement whereby subject to shareholder approval Midnight will acquire Dolarin, (Dolarin being a 100% subsidiary of Bioharvest Ltd.) by issuing 49,867,707 common shares of Midnight. As a result Midnight will become the sole shareholder of Dolarin. The completion of this transaction will constitute a Reverse Takeover of Midnight by Dolarin.

As a condition of the Transaction a private placement (the "Financing") will be conducted by Midnight to raise a minimum of $3,300,000 which shall be closed prior to the closing of the Transaction. Additional information on the Financing is included in Note 3.

A finder's fee shall be paid to the broker of the transaction of $109,395 (US$85,000) and the issuance of 1,496,031 common shares of the Resultant issuer. (representing 3% of the common shares issued to Bioharvest)

As a condition of the transaction a Stock Option plan shall be adopted whereby Employee Stock Option Plan ("ESOP") shares shall constitute 10% of the issued and outstanding share capital of the Company. Such stock options shall be granted immediately upon closing and vest over a 2 year period on a quarterly basis.

ii) Licence Agreement

On April 19, 2018, Bioharvest and Dolarin entered into an agreement whereby Dolarin shall acquire certain worldwide, royalty bearing licences in perpetuity from Bioharvest. (the "Licence Agreement").

Pursuant to the agreement, which has an effective date of the closing of the Transaction, Dolarin shall acquire the licences for the following consideration:

a) The issuance of 900,000 common shares of Dolarin to Bioharvest.

b) The payment of $205,920 (US$160,000) in 16 equal monthly payments of $12,870 (US$10,000) commencing on the effective date.

c) The payment to Bioharvest of a milestone payment comprising $1,081,080 (US$840,000) upon the commencement of construction of the first manufacturing facility for relevant licenced product.

iii) Services Agreement

On April 19, 2018, Bioharvest and Dolarin entered into an agreement whereby Dolarin wishes Bioharvest to perform certain limited research, development and commercialization of the technology acquired pursuant the Licence Agreement for an initial period of 16 months, at a budgeted cost of $1,979,406 (US$1,538,000).

## 3. Pro Forma Assumptions and Adjustments

This unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions:

(a) The proposed amalgamation will receive all required regulatory, Canada Securities Exchange and shareholder approvals.

(b) Concurrent with the transaction, Midnight will close a Financing pursuant to which it will issue 22,000,000 Units at a subscription price of $0.15 per Unit for gross proceeds of $3,300,000. Each Unit is comprised of one common share and common share purchase warrant of the Resulting Issuer after the closing of the Transaction. Each warrant is exercisable into one common share of the Resulting Issuer at an exercise price of $0.23 for a period of 24 months following the closing of the Transaction.

Agents were retained for the Financing. The Agents will receive a cash commission of $165,000 (equal to 5% of the gross proceeds) and 1,100,000 brokers warrants (equal to 5% of the number of Units issued). Each brokers warrant is exercisable into one common share of the Resultant Issuer at $0.23 for a period of 24 months following closing.

The fair value of the common share purchase warrant was determined using the Black Scholes option pricing model. The current share price used in the model was determined such that the current share price plus the resulting Black Scholes value of one warrant was equal to the subscription price of $0.15. The other assumptions are as follows: Volatility - 100%: Exercise price - $0.23: Expected life – 2 years: Dividend Yield – 0%: Risk free rate - 1.8%.

Accordingly, the resulting fair values of the common shares and common share purchase warrants are $0.111 and $ 0.039 respectively. The net proceeds of the financing were allocated on a pro rata basis between the common shares (74% - $2,282,994) and the common share purchase warrants (26% - $808,806)

Included as a reduction of the net proceeds is the fair value of the 1,100,000 brokers warrants which were valued at $43,200 using the Black Scholes option pricing model under the following assumptions: Share price - $0.111: Volatility - 100%: Exercise price - $0.23: Expected life – 2 years: Dividend Yield – 0%: Risk free rate - 1.8%.

(c) As at April 30, 2018, Midnight had 26,643,768 issued and outstanding common shares.

(d) As at April 30, 2018, Midnight had 123,939 Agents Options outstanding, having an exercise price of $0.10 expiring August 4, 2018.

(e) Upon Closing, Midnight will issue 49,867,707 common shares to Bioharvest and receive in exchange 1,000,000 common shares of Dolarin, resulting in Dolarin becoming the legal subsidiary of Midnight, and Bioharvest the controlling shareholder of Midnight.

### 3. Pro Forma Assumptions and Adjustments (Continued)

(f) Upon closing Dolarin will issue 900,000 common shares to Bioharvest to consummate the Licence Agreement. The only asset held by Dolarin is the Licence agreement. The fair value of the shares issued has been determined by reference to the 49,867,707 shares to be issued by Midnight to Bioharvest to acquire Dolarin. Accordingly the fair value of the shares issued is $5,523,370.

Dolarin assumes an amount payable of $205,872 (US$160,000) to Bioharvest to recognise the periodic payments pursuant to the agreement. Accordingly the fair value of the Licence Agreement as computed by consideration given is $5,729,290.

Midnight commissioned a valuation of the licence by an independent qualified person, who determined the valuation of the licence to be between $7,335,900 (US$5,700,000) and $7,979,400 (US$6,200,000). As the consideration given for the acquisition of the licence is less than the lower limit of the valuation, no impairment provision is required.

(g) This reverse takeover transaction is in substance a share based payment transaction, The Transaction is equivalent to the issuance of shares and options by Dolarin to acquire the business of Midnight and the public listing status of Midnight. Consequently:

(i) The share capital, reserves and deficit of Midnight are eliminated.

(ii) Dolarin is deemed to issue:

48,643,768 common shares valued at $5,234,070 to the shareholders of Midnight, (comprising 22,000,000 shares valued at $2,282,994 resulting from the financing and 26,643,768 valued at $2,951,076 to former shareholders);

22,000,000 share purchase warrants valued at $808,806 to holders of Midnight's share purchase warrants;

1,100,000 broker's options valued at $43,200 to holders of Midnight's broker's options.

123,939 Agents Options valued at $3,300 to the holders of Midnight's Agents Options. The fair value was determined using the Black Scholes option pricing model under the following assumptions: Share price - $0.11: Volatility - 100%: Exercise price - $0.11: Expected life – 3 months: Dividend Yield – 0%: Risk free rate - 1.2%.

(Expressed in Canadian dollars unless otherwise stated)

## 3. Pro Forma Assumptions and Adjustments (Continued)

(iii) The total purchase price is allocated as follows:

| | | |
|---|---|---|
| Fair value of 49,867,707 common shares issued | $ | 5,234,070 |
| Fair value of 22,000,000 share purchase options issued | | 808,806 |
| Fair value of 1,100,000 brokers options issued | | 43,200 |
| Fair value of 123,939 Agents options issued | | 3,300 |
| **Fair Value of Consideration** | | **6,089,376** |
| Cash and cash equivalents | | 3,492,328 |
| Receivables | | 3,700 |
| Exploration assets | | 137,486 |
| Accounts payable and accrued liabilities | | (45,762) |
| **Fair Value of Net Assets Acquired** | | **3,587,752** |
| **Goodwill** | **$** | **2,501,624** |

(h) Approximately $220,000 of professional fees will be incurred to complete the transaction.

(i) Upon Closing 10,007,506 stock options shall be granted to employees of Dolarin. The options will vest over a 2-year period from the grant date.

The fair value of the stock options was determined using the Black Scholes option pricing model as $1,071,600 under the following assumptions: Share price - $0.11: Volatility - 100%: Exercise price - $0.11: Expected life – 10 years: Dividend Yield – 0%: Risk free rate – 2.3%.

For accounting purposes, the fair value of the option vesting immediately, using the graded vesting method has been estimate at $364,100.

(j) In consideration for the Brokerage services in respect of the transaction, the Company will pay a cash commission of $109,395 (US$85,000) cash and issue common shares of the Resultant Issuer equivalent to 3% of the common shares issued to Bioharvest. (1,496,031 common shares with a fair value of $165,701)

(Expressed in Canadian dollars unless otherwise stated)

## 4. Pro Forma Share Capital

| | Number of Shares | | Value |
|---|---|---|---|
| Common shares of Dolarin issued and outstanding at April 30, 2018 | 100,000 | $ | 1,266 |
| Issuance of Dolarin common shares to Bioharvest for Licence agreement | 900,000 | | 5,523,370 |
| Dolarin shares exchanged pursuant to the transaction | (1,000,000) | | - |
| Common shares of Midnight issued and outstanding at April 30, 2018 | 26,643,768 | | 1,211,205 |
| Elimination of Midnight's share capital | - | | (1,211,205) |
| Financing | 22,000,000 | | 2,282,994 |
| Common shares issued to Dolarin shareholders | 49,867,707 | | 2,951,076 |
| Issuance for transaction brokerage fees | 1,496,031 | | 165,701 |
| | 100,007,506 | $ | 10,924,407 |

# MIDNIGHT STAR VENTURES CORP

# UNAUDTED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## (Expressed in Canadian dollars unless otherwise stated)

| | Dolarin Ltd 30-Apr-18 | Midnight Star Ventures Corp. 30-Apr-18 | Note | Pro Forma Adjustments | Pro Forma Consolidation 30-Apr-18 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | - | 357,328 | 3(b) | 3,300,000 | 3,162,933 |
| | | | 3(b) | (165,000) | |
| | | | 3(h) | (220,000) | |
| | | | 3(j) | (109,395) | |
| Receivables | - | 3,700 | | - | 3,700 |
| Total Current Assets | - | 361,028 | | 2,805,605 | 3,166,633 |
| Exploration assets | - | 137,486 | | - | 137,486 |
| Goodwill | - | - | 3(g)(iii) | 2,501,624 | - |
| | | | 3(g)(iii) | (2,501,624) | |
| Licence | - | - | 3(f) | 5,729,290 | 5,729,290 |
| **Total Assets** | **-** | **498,514** | | **8,534,895** | **9,033,409** |
| **Liabilities** | | | | | |
| Accounts payable and accrued liabilities | - | 45,762 | 3(f) | 154,440 | 200,202 |
| Total Current Liabilities | - | 45,762 | | 154,440 | 200,202 |
| Licence payable | - | - | 3(f) | 51,480 | 51,480 |
| **Total Liabilities** | **-** | **45,762** | | **205,920** | **251,682** |
| **Equity** | | | | | |
| Share capital | 1,266 | 1,211,205 | 3(g)(i) | (1,211,205) | 10,924,407 |
| | | | 3(b) | 2,282,994 | |
| | | | 3(f) | 5,523,370 | |
| | | | 3(g)(ii) | 2,951,076 | |
| | | | 3(j) | 165,701 | |
| Contributed Surplus | 128 | - | | - | 128 |
| Share-based payment reserve | - | | 3(i) | 364,100 | 364,100 |
| Agents option reserve | - | 10,781 | 3(g)(i) | (10,781) | 3,300 |
| | | | 3(g)(ii) | 3,300 | |
| Warrant reserve | - | - | 3(b) | 808,806 | 852,006 |
| | | | 3(b) | 43,200 | |
| Deficit | (1,394) | (769,234) | 3(g)(i) | 769,234 | (3,362,214) |
| | | | 3(h) | (220,000) | |
| | | | 3(i) | (364,100) | |
| | | | 3(j) | (275,096) | |
| | | | 3(g)(iii) | (2,501,624) | |
| **Total Equity** | **-** | **452,752** | | **8,328,975** | **8,781,727** |
| **Total Liabilities and Equity** | **-** | **498,514** | | **8,534,895** | **9,033,409** |

## 1. Basis of Presentation

The unaudited pro forma consolidated statement of financial position has been prepared to give effect to the proposed transaction (The "Transaction") as described in Note 2 as if it occurred on April 30, 2018 and has been prepared from information derived from, and should be read in conjunction with, the following historical information which was prepared in accordance with International Financial Reporting Standards ("IFRS")

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ii) the audited financial statements of Midnight Star Ventures Corp ("Midnight") as at April 30, 2018.

An unaudited pro forma consolidated statement of operations and comprehensive loss was not prepared on the basis that the Dolarin had no operations, and a pro forma statement of operations and comprehensive loss would be substantially the same as that prepared by Midnight in its separate financial statements included elsewhere in this Filing Statement.

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## 2. Transaction

i) Reverse Takeover

On April 19, 2018 Bio Harvest Ltd. ("Bioharvest") and Midnight entered into an agreement whereby subject to shareholder approval Midnight will acquire Dolarin, (Dolarin being a 100% subsidiary of Bioharvest Ltd.) by issuing 49,867,707 common shares of Midnight. As a result Midnight will become the sole shareholder of Dolarin. The completion of this transaction will constitute a Reverse Takeover of Midnight by Dolarin.

As a condition of the Transaction a private placement (the "Financing") will be conducted by Midnight to raise a minimum of $3,300,000 which shall be closed prior to the closing of the Transaction. Additional information on the Financing is included in Note 3.

A finder's fee shall be paid to the broker of the transaction of $109,395 (US$85,000) and the issuance of 1,496,031 common shares of the Resultant issuer. (representing 3% of the common shares issued to Bioharvest)

As a condition of the transaction a Stock Option plan shall be adopted whereby Employee Stock Option Plan ("ESOP") shares shall constitute 10% of the issued and outstanding share capital of the Company. Such stock options shall be granted immediately upon closing and vest over a 2 year period on a quarterly basis.

ii) Licence Agreement

On April 19, 2018, Bioharvest and Dolarin entered into an agreement whereby Dolarin shall acquire certain worldwide, royalty bearing licences in perpetuity from Bioharvest. (the "Licence Agreement").

Pursuant to the agreement, which has an effective date of the closing of the Transaction, Dolarin shall acquire the licences for the following consideration:

a) The issuance of 900,000 common shares of Dolarin to Bioharvest.

b) The payment of $205,920 (US$160,000) in 16 equal monthly payments of $12,870 (US$10,000) commencing on the effective date.

c) The payment to Bioharvest of a milestone payment comprising $1,081,080 (US$840,000) upon the commencement of construction of the first manufacturing facility for relevant licenced product.

iii) Services Agreement

On April 19, 2018, Bioharvest and Dolarin entered into an agreement whereby Dolarin wishes Bioharvest to perform certain limited research, development and commercialization of the technology acquired pursuant the Licence Agreement for an initial period of 16 months, at a budgeted cost of $1,979,406 (US$1,538,000).

## 3. Pro Forma Assumptions and Adjustments

This unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions:

(a) The proposed amalgamation will receive all required regulatory, Canada Securities Exchange and shareholder approvals.

(b) Concurrent with the transaction, Midnight will close a Financing pursuant to which it will issue 22,000,000 Units at a subscription price of $0.15 per Unit for gross proceeds of $3,300,000. Each Unit is comprised of one common share and common share purchase warrant of the Resulting Issuer after the closing of the Transaction. Each warrant is exercisable into one common share of the Resulting Issuer at an exercise price of $0.23 for a period of 24 months following the closing of the Transaction.

Agents were retained for the Financing. The Agents will receive a cash commission of $165,000 (equal to 5% of the gross proceeds) and 1,100,000 brokers warrants (equal to 5% of the number of Units issued). Each brokers warrant is exercisable into one common share of the Resultant Issuer at $0.23 for a period of 24 months following closing.

The fair value of the common share purchase warrant was determined using the Black Scholes option pricing model. The current share price used in the model was determined such that the current share price plus the resulting Black Scholes value of one warrant was equal to the subscription price of $0.15. The other assumptions are as follows: Volatility - 100%: Exercise price - $0.23: Expected life – 2 years: Dividend Yield – 0%: Risk free rate - 1.8%.

Accordingly, the resulting fair values of the common shares and common share purchase warrants are $0.111 and $ 0.039 respectively. The net proceeds of the financing were allocated on a pro rata basis between the common shares (74% - $2,282,994) and the common share purchase warrants (26% - $808,806)

Included as a reduction of the net proceeds is the fair value of the 1,100,000 brokers warrants which were valued at $43,200 using the Black Scholes option pricing model under the following assumptions: Share price - $0.111: Volatility - 100%: Exercise price - $0.23: Expected life – 2 years: Dividend Yield – 0%: Risk free rate - 1.8%.

(c) As at April 30, 2018, Midnight had 26,643,768 issued and outstanding common shares.

(d) As at April 30, 2018, Midnight had 123,939 Agents Options outstanding, having an exercise price of $0.10 expiring August 4, 2018.

(e) Upon Closing, Midnight will issue 49,867,707 common shares to Bioharvest and receive in exchange 1,000,000 common shares of Dolarin, resulting in Dolarin becoming the legal subsidiary of Midnight, and Bioharvest the controlling shareholder of Midnight.

**3. Pro Forma Assumptions and Adjustments (Continued)**

(f) Upon closing Dolarin will issue 900,000 common shares to Bioharvest to consummate the Licence Agreement. The only asset held by Dolarin is the Licence agreement. The fair value of the shares issued has been determined by reference to the 49,867,707 shares to be issued by Midnight to Bioharvest to acquire Dolarin. Accordingly the fair value of the shares issued is $5,523,370.

Dolarin assumes an amount payable of $205,872 (US$160,000) to Bioharvest to recognise the periodic payments pursuant to the agreement. Accordingly the fair value of the Licence Agreement as computed by consideration given is $5,729,290.

Midnight commissioned a valuation of the licence by an independent qualified person, who determined the valuation of the licence to be between $7,335,900 (US$5,700,000) and $7,979,400 (US$6,200,000). As the consideration given for the acquisition of the licence is less than the lower limit of the valuation, no impairment provision is required.

(g) This reverse takeover transaction is in substance a share based payment transaction, The Transaction is equivalent to the issuance of shares and options by Dolarin to acquire the business of Midnight and the public listing status of Midnight. Consequently:

(i) The share capital, reserves and deficit of Midnight are eliminated.

(ii) Dolarin is deemed to issue:

48,643,768 common shares valued at $5,234,070 to the shareholders of Midnight, (comprising 22,000,000 shares valued at $2,282,994 resulting from the financing and 26,643,768 valued at $2,951,076 to former shareholders);

22,000,000 share purchase warrants valued at $808,806 to holders of Midnight's share purchase warrants;

1,100,000 broker's options valued at $43,200 to holders of Midnight's broker's options.

123,939 Agents Options valued at $3,300 to the holders of Midnight's Agents Options. The fair value was determined using the Black Scholes option pricing model under the following assumptions: Share price - $0.11: Volatility - 100%: Exercise price - $0.11: Expected life – 3 months: Dividend Yield – 0%: Risk free rate - 1.2%.

(Expressed in Canadian dollars unless otherwise stated)

## 3. Pro Forma Assumptions and Adjustments (Continued)

(iii) The total purchase price is allocated as follows:

| | |
|---|---|
| Fair value of 49,867,707 common shares issued | $ 5,234,070 |
| Fair value of 22,000,000 share purchase options issued | 808,806 |
| Fair value of 1,100,000 brokers options issued | 43,200 |
| Fair value of 123,939 Agents options issued | 3,300 |
| **Fair Value of Consideration** | **6,089,376** |
| | |
| Cash and cash equivalents | 3,492,328 |
| Receivables | 3,700 |
| Exploration assets | 137,486 |
| Accounts payable and accrued liabilities | (45,762) |
| **Fair Value of Net Assets Acquired** | **3,587,752** |
| | |
| **Goodwill arising** | **2,501,624** |
| **Goodwill impairment** | **(2,501,624)** |
| | **$ -** |

Immediately subsequent to the acquisition, the Company reviewed the value assigned as Goodwill for potential impairment. The impairment test considers the future cash flows arising from the cash generating unit of Midnight. As Midnights cash generating unit has historically been a net consumer of cash, the goodwill arising is considered impaired and has been written down to $Nil.

(h) Approximately $220,000 of professional fees will be incurred to complete the transaction.

(i) Upon Closing 10,007,506 stock options shall be granted to employees of Dolarin. The options will vest over a 2-year period from the grant date.

The fair value of the stock options was determined using the Black Scholes option pricing model as $1,071,600 under the following assumptions: Share price - $0.11: Volatility - 100%: Exercise price - $0.11: Expected life – 10 years: Dividend Yield – 0%: Risk free rate – 2.3%.

For accounting purposes, the fair value of the option vesting immediately, using the graded vesting method has been estimate at $364,100.

(j) In consideration for the Brokerage services in respect of the transaction, the Company will pay a cash commission of $109,395 (US$85,000) cash and issue common shares of the Resultant Issuer equivalent to 3% of the common shares issued to Bioharvest. (1,496,031 common shares with a fair value of $165,701)

(Expressed in Canadian dollars unless otherwise stated)

## 4. Pro Forma Share Capital

| | Number of Shares | | Value |
|---|---|---|---|
| Common shares of Dolarin issued and outstanding at April 30, 2018 | 100,000 | $ | 1,266 |
| Issuance of Dolarin common shares to Bioharvest for Licence agreement | 900,000 | | 5,523,370 |
| Dolarin shares exchanged pursuant to the transaction | (1,000,000) | | - |
| Common shares of Midnight issued and outstanding at April 30, 2018 | 26,643,768 | | 1,211,205 |
| Elimination of Midnight's share capital | - | | (1,211,205) |
| Financing | 22,000,000 | | 2,282,994 |
| Common shares issued to Dolarin shareholders | 49,867,707 | | 2,951,076 |
| Issuance for transaction brokerage fees | 1,496,031 | | 165,701 |
| | 100,007,506 | $ | 10,924,407 |